



State of Hawaii

**CONSOLIDATED ANNUAL PERFORMANCE
AND EVALUATION REPORT
(CAPER)**

**For Program Year 2002
(July 1, 2002 - June 30, 2003)**

(Concentrating on the Counties of Hawaii, Kauai, and Maui)

September 26, 2003

Prepared by:
Housing and Community Development Corporation of Hawaii
677 Queen Street, Suite 300
Honolulu, Hawaii 96813



CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

Report Period:

July 1, 2002 to June 30, 2003

Name and Address of Grantee:

**State of Hawaii
Housing and Community Development
Corporation of Hawaii
677 Queen Street, Suite 300
Honolulu, Hawaii 96813**

Grant:

**HOME Investment Partnership Program
Emergency Shelter Grant
Housing Opportunities for Persons
with AIDS**

The grantee's authorized representative certifies that:

- a. To the best of his/her knowledge and belief the data in this report was true and correct as of the date of the report.
- b. The records described in 24 CFR 570.506 are being maintained and will be made available upon request.
- c. Activities have been carried out in compliance with the certifications submitted with the application, and future activities will be carried out in compliance with the certifications.

**Name and Title of Authorized Representative
(Type/Print)**

**Robert J. Hall
Acting Executive Director**

Telephone

(808) 587-0680

Signature of Authorized Representative

Date

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EXECUTIVE SUMMARY

The State Consolidated Annual Performance and Evaluation Report (CAPER) is an annual report submitted to the U.S. Department of Housing and Urban Development (HUD) that assesses the State of Hawaii's performance in meeting the goals, priorities, and objectives of its Consolidated Plan. The Consolidated Plan is a five-year strategy (July 1, 2000 – June 30, 2005) for the investment of federal resources to address the affordable housing and homeless needs in the state, primarily on the rural island counties of Hawaii, Kauai, and Maui.

This CAPER focuses on the administration of the HOME Investment Partnership (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter Grant (ESG) programs by the Housing and Community Development Corporation of Hawaii (HCDCH) and the rural island counties for the period of July 1, 2002 to June 30, 2003.

Priorities and Objectives

The State of Hawaii's 2000 to 2004 Consolidated Plan priorities for assisting very low, low and moderate-income households are as follows:

- Increase the development of long-term affordable rental projects statewide.
- Provide increased financial and other types of assistance to needy households.
- Preserve and revitalize existing affordable housing.
- Provide increased opportunities for first-time homebuyers.
- Provide a continuum of housing and support services for homeless persons and families to enable them to achieve greater independence and stability.
- Provide housing and support services for persons with special needs.

The affordable housing strategies for 2000-2004 are summarized as follows:

Target group	Objective	HOME fund allocation	Measures of effectiveness	2000-2005
Extremely low, low and moderate income	Increase supply of affordable rental units	37% of HOME	# of affordable rental units	105 units
	Provide rental assistance		# of eligible households receiving rental assistance	300 households
Non-homeless special needs	Increase supply of supportive housing	15% of HOME	# of units	50 units
First-time homebuyers	Increase supply of affordable for-sale units	33% of HOME	# of units	110 units
Existing affordable housing stock	Rehabilitation activities	5% of HOME	# of units	30 units

Strategies to assist persons with HIV/AIDS and persons who are not homeless but require supportive housing for 2000-2004 are as follows:

Target population	Strategy	HOPWA fund allocation	Measures of effectiveness	2000-2005
Persons with HIV/AIDS	Tenant based rental assistance for persons living in the rural areas.	70% of HOPWA	No. of persons with HIV/AIDS provided rental assistance	18
Persons with HIV/AIDS	Housing information and support services for persons living in the rural areas.	30% of HOPWA	No. of persons with HIV/AIDS assisted	360

2000-2004 homeless strategies will provide a continuum of care as follows:

Target population	Strategy	ESG fund allocation	Measures of effectiveness*	2000-2005
Unsheltered homeless	Assistance provided by outreach vans and personnel	20% of ESG	No. of unsheltered persons assisted	1,900
Sheltered Homeless	Supportive services in emergency and transitional shelters	80% of ESG	No. transitioning to permanent housing	5,000

*Double counting may have occurred

Accomplishments during the 2002-2003 program year

In 2002-03, the State received \$3,343,000 in federal funding under the following programs:

HOME	\$ 3,008,000
ESG	175,000
HOPWA	<u>160,000</u>
	\$ 3,343,000

The HCDCH distributed \$972,400.00 in HOME funds to the County of Hawaii, and \$822,000.00 each to the Counties of Kauai and Maui (with \$300,800 in CHDO funds remaining uncommitted). \$169,750 in ESG funds was also awarded to homeless providers in the rural areas through a competitive request for proposals process. Additionally, \$155,200 in HOPWA

funds was competitively awarded to the Maui AIDS Foundation to provide housing and support services for persons with HIV/AIDS in the rural island counties.

During Program Year 2002-03, the following accomplishments were made in priority areas:

Priority Goals and Accomplishments in 2002-03
<p>Increase the development of long-term affordable rental projects statewide.</p> <ul style="list-style-type: none"> • Conditionally committed \$152,400.00 in HOME CHDO funds to the Hawaii Island Community Development Corporation to develop the Kamuela Senior Rental, a 32-unit rental for low and very low income seniors. • Conditionally committed \$752,000.00 in HOME funds to the Kauai Housing Development Corporation to develop Kalepa Village, Phase 2, a 40-unit rental for extremely low and very low income households. • Conditionally committed \$552,000.00 in HOME funds to the County of Maui to develop the Central Maui Senior Housing Project, a 40-unit rental for very low and low income seniors.
<p>Provide increased financial and other types of assistance to needy households.</p> <p>No activity.</p>
<p>Preserve and revitalize existing affordable housing.</p> <p>No activity.</p>
<p>Provide increased opportunities for first-time homebuyers.</p> <ul style="list-style-type: none"> • Conditionally committed \$750,000.00 in HOME CHDO funds to the Hawaii Island Community Development Corporation to assist in the construction of 8 mutual self-help homes (Puukapu Self Help Housing Project) for very low and low income families in Waimea. • Completed 21 mutual self help homes (9 HOME assisted) in North Kohala. • Provided HOME financial assistance to 21 first-time homebuyers (15 on Kauai and 6 on Maui). • Conditionally committed an additional \$100,000.00 in HOME funds to provide approximately 7 down payment loans under Lokahi Pacific's First Time Homebuyer Assistance Program on Maui.
<p>Provide a continuum of housing and support services for homeless persons and families to enable them to achieve greater independence and stability.</p> <ul style="list-style-type: none"> • Conditionally committed an additional \$150,000.00 in FY 2001 CHDO funds to Kauai's Transitional Housing Project to rehabilitate Building #16 in the Lihue Court Project, providing 8 transitional housing units. • Allocated \$157,950 in ESG funds to provide shelter and support services to 1,845 homeless persons. • Leveraged \$11,800 in ESG funds with State funds to provide support services for 1,827 homeless persons.

Provided housing and support services for persons with special needs.

- Conditionally committed \$100,000.00 in HOME funds to Aloha House, Inc., in partnership with the County of Maui to develop a 2-unit special needs rental.
- Allocated \$120,000 in HOPWA funds to assist 27 persons with HIV/AIDS and 4 persons in the family unit to obtain and retain permanent housing.
- Allocated \$23,879 in HOPWA funds to assist 2 persons with HIV/AIDS with support services and to provide housing information to 374 persons with HIV /AIDS.
- Initiated a statewide HIV/AIDS Coordinating Council which meets quarterly to coordinate efforts, collaborate on new challenges, and strategize on emerging needs.

Actions that can be taken to improve the program and achieve priorities: The HCDCH will continue to work closely with the County housing agencies and private non-profit entities in the administration of the HOME, ESG, and HOPWA programs.

A major barrier to the effective administration of the State's HOME Program continues to be the Integrated Disbursement and Information System (IDIS) and program income. As State Recipients under the State's HOME Program, the Counties of Hawaii, Kauai and Maui are allowed to retain the program income they generate and revolve these funds into other eligible HOME activities. However, as indicated in our previous CAPER, the Counties are unable to view and maintain HOME program income in IDIS. As IDIS allows only the State to view and maintain program income, the HCDCH must track the receipt of and handle all draw downs for the Counties. While the HCDCH continues to encourage the generation of program income, the process of its tracking and use in IDIS have created difficulties in the reconciliation process. As the current HOME regulations require available program income to be utilized for an upcoming draw before accessing the U.S. Treasury, the HCDCH must continually unfund and recommit HOME funds for the Counties within IDIS. Utilization of program income can be more effective and efficient if it can be targeted towards specific eligible projects/activities, much like the committing of regular HOME and CHDO funds. The HCDCH and the Counties will continue to rely on HUD's guidance and assistance to resolve this issue.

The tightening rental market continues to serve as another barrier to meeting the State's affordable housing objectives. Over the past three years, the County of Hawaii has not provided any HOME rental assistance to new families; instead, it has focused its efforts on leasing up its expiring Section 8 vouchers. To ensure the timely commitment and expenditure of HOME funds, the County of Hawaii once again reprogrammed a portion of the funds allocated for tenant-based rental assistance towards the development of its Kamuela Senior Housing Project.

A potential barrier to the effective administration of the State's HOME program is the process for on-site monitoring of HOME-funded projects. Written monitoring reports for on-site inspections, as well as County responses to deficiencies have not been received on a consistent, timely basis in all instances. The HCDCH will consider adopting monitoring procedures with milestones for inspections and the timely submission of written reports, county responses, and corrective action plans. The HCDCH has combined HOME inspections with Low Income Housing Tax Credit program inspections for some projects. The HCDCH will examine whether

HOME monitoring can be better accomplished through an independent contract for on-site HOME inspection services.

Finally, an action which will help to improve the HOME program would be for the local HUD office to be given more decision-making authority. An example would be in the determination for increases to the purchase price limits. As local HUD is familiar with Hawaii's housing market and has access to the necessary information, such decisions made at a local level will foster the ability of the State and Counties to provide HOME assistance to the community more quickly.

A barrier to the effective administration of the State's HOPWA and ESG programs is that some grantees are not submitting reports on a timely basis. In addition, there are some problems with IDIS. The HCDCH will identify steps to address these issues and may request technical assistance from HUD to correct errors in the system and to train HCDCH staff.

Self evaluation: Overall, the State has made good progress in meeting its objectives. The narratives in this CAPER provide details and an assessment of the accomplishments. Please refer to the HOME, ESG, and HOPWA program sections for evaluations of these programs, barriers that negatively impact the accomplishments of the goals, and any modifications or actions that will be implemented to improve the programs.

I. GENERAL

A. Description of Resources

The following resources are available to the State for use in meeting its strategic planning (5-year Consolidated Plan) goals.

HOME - The HOME Investment Partnerships program is intended to be a locally designed and administered program that expands the supply of decent, safe, affordable, and sanitary housing, with primary attention to low-income rental housing; strengthens the abilities of state and local governments to design and implement affordable housing strategies; and provides both federal financing and technical assistance (including the development of model programs and approaches). The program is also intended to provide local jurisdictions with a source of funds which can be used to implement locally designed housing programs which best fit local needs. *Activity: Rehabilitation, new construction, rental assistance, home buyer assistance*

Emergency Shelter Grants (ESG) - Emergency Shelter Grants may be used to renovate, rehabilitate, or convert buildings to be used as emergency shelters; to provide essential services (employment, health, drug abuse, or education); and to provide maintenance, operation, insurance, utilities, and furnishings for these facilities. *Activity: Operations, essential services, prevention*

Housing Opportunities for Persons with AIDS (HOPWA) - The Housing Opportunities for Persons with AIDS (HOPWA) program is authorized by the AIDS Housing Opportunity Act (AHOA) and amended by the Housing and Community Development Act of 1992. The program is designed to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS) or related diseases and their families. The program authorizes entitlement grants and competitively awarded grants for housing assistance and services.

Since the State qualifies for a formula allocation on behalf of the State's rural counties, the consolidated plan describes the planning process with care provider input. Moneys are available both on a formula and competitive basis. Competitive grants are awarded based on applications submitted in response to a Notice of Funding Availability published in the Federal Register. Jurisdictions that do not qualify for formula grants are eligible to apply for competitive grants for the development of comprehensive, long-term strategies to address HIV/AIDS and homelessness. Additionally, jurisdictions that do qualify for formula grants may also apply for competitive grants for programs that address needs that are unmet by formula grants. *Activities: Rental housing assistance and support services.*

A description of other government and private resources is provided in Appendix A.

B. Investment of Available Resources

During the reporting period, the HCDCH committed its remaining FY 2001 CHDO funds in the amount of \$150,000.00. Of the \$3,008,000.00 in FY 2002 HOME funds, the HCDCH committed \$2,707,200.00 (\$1,504,000.00 in regular project funds, \$902,400.00 in CHDO funds and \$300,800.00 in administrative funds). At the end of the reporting period, \$300,800.00 in FY 2002 CHDO funds remains uncommitted.

The following shows the resources (grants, matching, and other funds) that were made available during the 2002-2003 program year by county.

County of Hawaii

2002 HOME Allocations

- \$152,400.00 in CHDO funds has been conditionally committed to Hawaii Island Community Development Corporation to assist in the development of its Kamuela Senior Rental Housing Project. The total HOME funds allocated for this project is \$2,250,034.00, which includes \$1,197,634.00 in available FY 1998, 1999 and 2000 funds reprogrammed to this activity and \$900,000.00 in FY 2001 allocation. This project will provide rental housing for 32 low and very low income elderly families/tenants.

Other anticipated funding sources for this project include \$640,000.00 private bank loan, \$3,387,505.00 in federal and state Low Income Housing Tax Credits, and \$600,000.00 in USDA RD 515 assistance.

- \$750,000.00 in CHDO funds has been conditionally committed to Hawaii Island Community Development Corporation to assist in the construction of its Puukapu Self Help Housing Project, which will provide for 8 mutual self-help homes in Waimea. This project will enable 8 low and very-low income families the opportunity of homeownership.

Other anticipated funding sources for this project include \$150,000.00 in SHOP funding, \$25,000 in funds from Hawaii Island Community Development Corporation, and \$1,320,000.00 in USDA RD 502 assistance.

- County of Hawaii's administrative funds in the amount of \$70,000.00.

County of Hawaii

FUNDING STATUS

OTHER RESOURCES

GRANT	PRIORITY	PROJECT NAME	STATUS	HUD FORMULA GRANTS: CDBG/HOME/ESG			OTHER FUNDS ALLOCATED TO PROJECTS			
				ALLOCATED \$	EXPENDED \$	BALANCE \$	OTHER FEDERAL FUNDS	STATE FUNDS	COUNTY FUNDS	PRIVATE FUNDS
CDBG	Admin	Administration - CDBG	On-going	\$942,672	\$441,567	\$501,105				
HOME	Admin	Administration - HOME	On-going	\$196,000	\$60,367	\$135,633				
CDBG	Planning	Fair Housing Study	Study	\$7,328	\$7,328	\$0	\$14,656			
OTHER	Planning	Housing Study	Study	\$0	\$0	\$0	\$41,071			
OTHER	Planning	Homeless Study	Study	\$0	\$0	\$0	\$8,235			
CDBG	N/A	Program Income	Allocated funds	\$0	\$0	\$0	\$20,599			
HOME	N/A	Program Income	NA	\$0	\$0	\$0				
CDBG	Comm. Dev.	Ookala Gym Annex	COMPLETED 6/03	\$38,518	\$38,518	\$0				
CDBG	Comm. Dev.	Hilo Armory Restoration - Interior	COMPLETED 6/03	\$630,081	\$630,081	\$0			\$117,525	
CDBG	Comm. Dev.	Nanawale Ball Park	COMPLETED 4/01	\$100,000	\$100,000	\$0				
CDBG	Comm. Dev.	Police Detention Ctr	COMPLETED 6/03	\$2,626,018	\$2,626,018	\$0	\$1,800,000		\$574,959	
CDBG	Comm. Dev.	Fire Truck Purchase - Keaau	COMPLETED 8/01	\$145,028	\$145,028	\$0				
CDBG	Comm. Dev.	Fire Truck Purchase - Honokaa	COMPLETED 8/01	\$145,028	\$145,028	\$0				
CDBG	Comm. Dev.	Flood Drainage Imp.-Bayfront Soccer Field	COMPLETED 6/03	\$167,627	\$167,627	\$0	\$124,106		\$3,432	
CDBG	Comm. Dev.	Flood Drainage Imp.-Scotty White Bridge	CANCELLED 7/02	\$0	\$0	\$0				
CDBG	Comm. Dev.	Prosecuting Attorney's Office - Design	COMPLETED 12/01	\$66,639	\$66,639	\$0				
CDBG	Comm. Dev.	ROAB - Waikeawaena Playground	COMPLETED 5/03	\$259,118	\$259,021	\$97			\$26,459	
CDBG	Comm. Dev.	ROAB - Onekahakaha Beach Park	Construction	\$390,228	\$390,228	\$0			\$394,462	
CDBG	Comm. Dev.	ROAB - Shipman Park	COMPLETED 3/03	\$389,823	\$387,035	\$2,788			\$27,838	
CDBG	Comm. Dev.	ROAB - Pahoa Park	Construction	\$59,165	\$40,785	\$28,380			\$482,072	
CDBG	Comm. Dev.	ROAB - Pahala Community Center	COMPLETED 6/03	\$90,878	\$90,878	\$0			\$150,189	
CDBG	Comm. Dev.	ROAB - Hookena Beach Park	Construction	\$71,398	\$70,476	\$922			\$133,625	
CDBG	Comm. Dev.	ROAB - Konawaena Pool	Construction	\$96,746	\$96,746	\$0			\$246,894	
CDBG	Comm. Dev.	ROAB - Greenwell Park	Construction	\$112,685	\$62,685	\$50,000			\$611,365	
CDBG	Comm. Dev.	ROAB - Kahaluu Beach Park	Construction	\$65,732	\$37,084	\$28,648			\$411,182	
CDBG	Comm. Dev.	ROAB - Waikoloa Park	Design	\$31,960	\$30,078	\$1,882			\$7,991	
CDBG	Comm. Dev.	ROAB - Spencer Beach Park	Design	\$59,296	\$53,529	\$5,767			\$14,825	
CDBG	Comm. Dev.	ROAB - Waimea Park	Construction	\$581,513	\$581,513	\$0			\$280,933	
CDBG	Comm. Dev.	ROAB - Former Waimea Courthouse	Design	\$53,579	\$50,513	\$3,066			\$12,978	
CDBG	Comm. Dev.	ROAB - Honokaa Park	Construction	\$371,373	\$75,770	\$295,602			\$384,763	
CDBG	Comm. Dev.	ROAB - Curb Cuts Phase 1	Construction	\$421,042	\$354,431	\$66,611			\$150,348	
CDBG	Comm. Dev.	ROAB - Curb Cuts Phase 2	Construction	\$378,958	\$227,311	\$151,647			\$309,809	
CDBG	Comm. Dev.	Construction Management 2001	On-going	\$150,000	\$135,347	\$14,653	\$0		\$10,636	
CDBG	Comm. Dev.	Construction Management 2002	On-going	\$80,000	\$0	\$80,000				
CDBG	Comm. Dev.	Care-A-Van Vehicle Purchase	COMPLETED 12/00	\$50,000	\$50,000	\$0	\$0			
CDBG	Comm. Dev.	Van Purchase-Kohala Elderly	COMPLETED 10/02	\$43,870	\$43,870	\$0	\$0			
CDBG	Comm. Dev.	ROAB - General	Design	\$212,612	\$0	\$212,612				
OTHER	Comm. Dev.	Fire Truck Purchase - HOVE	COMPLETED 4/03	\$0	\$0	\$0	\$250,000		\$209,937	
OTHER	Comm. Dev.	Replace Maintenance Bldg - HOVE	Specification	\$0	\$0	\$0	\$150,000		\$50,000	
OTHER	Comm. Dev.	Refuse Trailer	COMPLETED 01/02	\$0	\$0	\$0	\$250,000		\$98,939	
OTHER	Comm. Dev.	Puna By-Pass Road, Phase II	COMPLETED 5/01	\$0	\$0	\$0	\$750,000			
OTHER	Comm. Dev.	Accessible Bus - HOVE	Manufacturing bus	\$0	\$0	\$0	\$97,500		\$37,444	
CDBG	Homeless	Solar Water Heating-Youth Emerg Shelter	COMPLETED 5/02	\$65,600	\$65,600	\$0				
ESG	Homeless	Kawaihae Shelter - Operations	COMPLETED 2/01	\$40,000	\$40,000	\$0		\$117,750		\$16,617
ESG	Homeless	Hale Ohana Spouse Abuse Shelter - Oper.	COMPLETED 2/01	\$8,245	\$8,245	\$0				
OTHER	Homeless	Kona Homeless Shelter	Obtaining grant	\$0	\$0	\$0	\$670,613			
CDBG	Housing	1998 Rehab Loan Prog	COMPLETED 6/03	\$500,355	\$500,355	\$0			\$5,500	
CDBG	Housing	2000 Rehab Loan Prog	COMPLETED 6/03	\$300,000	\$300,000	\$0			\$2,250	
CDBG	Housing	2002 Rehab Loan Prog	Rehab	\$315,102	\$206,620	\$108,482			\$3,750	
HOME	Housing	1998 Rent Assist. Prog	COMPLETED	\$213,424	\$213,424	\$0				
HOME	Housing	1999 Rent Assist Prog	COMPLETED	\$6,665	\$6,665	\$0				
HOME	Housing	2000 Rent Assist Prog	Lease up	\$402,817	\$0	\$402,817				
HOME	Housing	Hawi Self Help Housing	COMPLETED	\$950,513	\$950,513	\$0	\$1,703,575			
HOME	Housing	Ouli Self Help Housing	Phase IV	\$840,000	\$840,000	\$0	\$4,065,327			\$778,744
HOME	Housing	Puukapu Self Help Housing	Design	\$750,000	\$0	\$750,000	\$150,000			\$249,011
HOME	Housing	HOME Rehab	COMPLETED 11/00	\$116,576	\$116,576	\$0				
OTHER	Housing	1999 HPG-Home Rehab	COMPLETED 5/01	\$0	\$0	\$0	\$50,000		\$48,000	
OTHER	Housing	2000 HPG-Home Rehab	COMPLETED 12/01	\$0	\$0	\$0	\$40,000		\$29,749	
OTHER	Housing	2001 HPG-Home Rehab	Construction	\$0	\$0	\$0	\$50,000		\$53,311	
CDBG	Special Needs	Hale Ohana Spouse Abuse Shelter	Renovations	\$289,000	\$246,168	\$42,832				
HOME	Special Needs	Hualalai Elderly Housing Phase II	COMPLETED 3/02	\$775,000	\$775,000	\$0		\$4,172,640		
OTHER	Special Needs	Keaau Elderly Housing	Construction	\$0	\$0	\$0	\$3,093,200	\$50,000		\$94,000
HOME	Special Needs	Kamuela Senior Housing	Design	\$2,250,034	\$0	\$2,250,034				\$857,761
HOME	Special Needs	Hale Ulu Hoi Housing	Renovations	\$724,000	\$720,381	\$3,619		\$507,276		\$485,000
TOTALS				\$17,592,245	\$12,455,048	\$5,137,197	\$13,328,882	\$4,847,666	\$4,879,665	\$2,492,633

*ROAB - Removal of Architectural Barriers

County of Kauai
2001 HOME Allocation

- An additional \$150,000.00 (for a total of \$450,000.00) in CHDO funds has been conditionally committed to Kauai's Transitional Housing Project. This project will encompass the rehabilitation of Building #16 in the Lihue Court Project, providing 8 transitional housing units.

2002 HOME Allocation

- \$752,000.00 (for a total of \$1,502,000.00) in HOME project funds has been conditionally committed to Kauai Housing Development Corporation to assist in the development of a new phase at Kalepa Village, a County-owned multi-family housing project. This project will provide rental housing for 40 very low income families.

Other anticipated sources of funding for this project include \$3,564,080.00 in federal and state Low Income Housing Tax Credits, and \$750,000.00 from Hawaii Community Reinvestment Corporation,

- County of Kauai's administrative funds in the amount of \$70,000.00.

Note: \$150,400.00 in FY 2002 CHDO funds available to the County of Kauai remained uncommitted at the end of this reporting period. However, the HCDCH is currently awaiting a program description from the County for these remaining funds. The anticipated project will be reported in the next CAPER.

County of Kauai

CDBG Activities Undertaken During Reporting Period	Fiscal Year	Resources Committed	Funds Expended	Amount Leveraged	Program Income
ADA Improvements-Parks	2002	\$379,478	\$364,030		
ADA Improvements-Curbs	2002	\$200,000	\$200,000	\$2,000,000	
Kupuna Care Intake	2002	\$33,561	\$0		
Emergency Grant Program	2002	\$75,000	\$38,128		
ADA Contingency	2002	\$62,593	\$62,593		
Prior Year's CDBG Activities Undertaken	Fiscal Source	Prior Years Commitments	Funds Expended	Amount Leveraged	Program Income
KEO Child Care Center	2001	\$75,000	\$75,000	\$75,000	
Kauai Micro Loan Program	2001	\$50,000	\$5,000	\$134,000	
Historic Hanapepe Pool Hall	2001	\$200,000	\$200,000	\$548,396	\$195,868
County Home-Buyer Loan	2001	\$581,692	\$573,464	\$450,890	
Waimea Theatre Renovations	1999	\$150,000	\$0		
Lihue Court Transitional	1999	\$125,000	\$125,000	\$465,000	
Educational Canoe	1998	\$83,500	\$76,367	\$220,014	
Hale Pule	1994	\$100,000	\$100,000	\$151,000	
HOME Activities					
County Homebuyer Loan	2000	\$518,800			\$388,771
USDA Rural Home Loan	2000	\$231,200			\$38,535
Kalepa Village - Phase 2B	2001-02	\$1,675,000		\$4,314,080	
Lihue Court Townhomes	2000-02	\$450,000		\$125,000	

County of Maui

2002 HOME Allocations

- An additional \$100,000.00 (for a total of \$1,392,549.97) in HOME project funds has been conditionally committed towards Lokahi Pacific's First Time Homebuyers Assistance Program. This additional funding will provide approximately 7 downpayment loans countywide.
- \$100,000.00 in HOME project funds has been conditionally committed to Aloha House, Inc. (in partnership with the County of Maui) to assist in the development of the Aloha House Clean and Sober Living Affordable Housing Project. This project will provide 2 special needs rental units.

Other anticipated sources of funding for this project include a \$25,000.00 grant from the Bank of Hawaii Foundation, \$75,000.00 in County of Maui funds, and \$200,000.00 in a private mortgage loan.

- \$552,000.00 in HOME project funds has been conditionally committed towards the development of the County's Central Maui Senior Housing Project. This project will provide for 40 units, of which 39 will be HOME assisted.

Other anticipated sources of funding for this project include \$1,464,431.04 in County of Maui funds, \$2,443,279.96 in County General Obligation Bonds, \$1,173,000.00 in Economic Development Initiatives - Special Projects Grant, and an anticipated \$772,500 in FY 2003 HOME Program funds.

- County of Maui's administrative funds in the amount of \$70,000.00. (Note: The County has chosen to provide Lokahi Pacific with \$13,000.00 of its \$70,000.00 HOME administrative funds to cover costs associated with Lokahi Pacific's administration of its First Time Homebuyers Assistance Program.)

Note: \$150,400.00 in FY 2002 CHDO funds available to the County of Maui remained uncommitted at the end of this reporting period. However, the HCDCH is currently awaiting a program description from the County for these remaining funds. The anticipated project will be reported in the next CAPER.

Other Federal grants, totaling \$1,098,000, awarded to the County of Maui are:

1999 Economic Development Initiatives –	
Special Projects Grant (EDI-SPG)	\$ 600,000
2000 EDI-SPG Funds	\$ 498,000

2002 ESG and HOPWA Allocations

Total ESG and HOPWA funds expended, as of June 30, 2003, are shown below:

Program Year	Funded Amount	Net Drawn Amount	Balance
ESG PY 2001	\$174,000.00	\$168,369.01	\$ 5,630.99
ESG PY 2002	175,000.00	107,457.06	67,542.94
HOPWA PY 2001	152,000.00	151,660.41	339.59
HOPWA PY2002	160,000.00	69,926.08	90,073.92

A discrepancy mentioned in last year's CAPER identified \$929.17 that may have been funded to the wrong program. This mistake has not been resolved and has prevented one of the shelters from drawing down ESG funds. HCDCH will investigate the problem and work to resolve it.

The ESG PY 2002 contract term with HCDCH's sub-recipient ends on September 30, 2003, not June 30, 2003, so there is a balance for ESG PY2002. Remaining funds from ESG PY2001 are from contracts extended by HCDCH. HOPWA funds for PY2002 were billed quarterly, so the balance will decrease after the July billing. The contract term for HOPWA PY2002 also ends on September 30, 2003. Remaining funds from HOPWA PY2001 are HCDCH administrative use only.

A comparison of the resources made available during the 2002-03 period and accomplishments of the Consolidated Plan goals follows.

Table 1: Comparison of HOME Objectives and Accomplishments

Objective	Proposed HOME Allocation* (1)	Actual PY2002 HOME Allocation (2)	Proposed PY 2002 Accomplishments	Actual PY 2002 Accomplishments	Five Year Goals (2000-05)	Total Accomplished To Date
Increase supply of affordable rental units	\$2,250,000 (75%)	\$752,000 (25%)	130 rental units	0 units (Funding commitment for 112 units)	105 units	278 units
Provide rental assistance	\$0 (0%)	\$0	0 households	0	300 households	0
Increase supply of supportive housing	\$0 (0%)	\$804,400 (27%) \$150,000 in PY 2001 funds (3)	0 units	0 units (Funding commitments for 2 special needs units and 8 transitional units)	50 units	7 units
Provide increased opportunities for first-time home buyers	\$300,000 (10%)	\$850,000 (28%)	16 households	30 households	110 households	85 households
Preserve existing affordable housing stock through rehabilitation activities	\$0 (0%)	\$0 (0%)	0 units	0	30 units	7 units
Administration	\$189,000 \$90,800 (9%)	\$ 210,000 \$ 90,800 (10% total)		Counties admin. HCDCH admin.		
Uncommitted Funds	\$178,200 (6%)	\$ 300,800 (10%)				

* Per 2002-03 Action Plan.

(1) Amounts were based on the types of committed projects, as well as those anticipated for use with the 2002-03 HOME fund allocations.

(2) The actual use of the PY 2002 HOME funds are based on the housing needs of each County.

(3) PY2001 uncommitted funds of \$150,000 were committed to Kauai's Transitional Housing Project on 10/30/02

Table 2. Comparison of HOPWA Objectives and Accomplishments

Objective	Proposed HOPWA Allocation*	Actual PY2002 HOPWA Allocation	Proposed PY2002 Accomplishments	Actual PY2002 Accomplishments	Five Year Goals (2000-05)	Total To Date
Provide rental assistance for persons with HIV/AIDS	\$112,000 (75%)	\$120,000 (75%)	Assist 16 persons with HIV/AIDS	Assisted 27 individuals (and 4 persons in family unit)	Assist 18 persons with HIV/AIDS	38**
Provide supportive services for persons with HIV/AIDS	\$32,000 (20%)	\$24,879 (15.5%)	Assist 311 persons with HIV/AIDS	Assisted 374 with housing information and 6 with support services and	Assist 360 persons with HIV/AIDS	907
Administration for Provider	\$11,200 (7%)	\$10,321 (6.5%)	N/A	N/A	N/A	N/A
Administration for HCDCH	\$4,800 (3%)	\$4,800 (3%)				

* Per 2002-03 Action Plan. ** The reported 55 in the CAPER for PY2001 contained some duplicates.

Table 3: Comparison of ESG Objectives and Accomplishments

Objective	Proposed ESG Allocation*	Actual PY2002 ESG Allocation	Proposed PY2002 Accomplishments	Actual PY2002 Accomplishments	Five Year Goals (2000-05)	Totals To Date
Subsidize homeless operators to provide homeless shelter	\$157,950 (90%)	\$157,950 (90%)	Assist 2,488 persons	Assisted 1,845 persons (945 to permanent housing)	Assist 5,000 persons	4,968
Create or expand social service programs for unsheltered	\$ 11,800 (7%)	\$ 11,800 (7%)	Assist 959 persons	Assisted 1,827 unsheltered persons	Assist 1,900 persons	4,861
Administration	\$5,250 (3%)	\$5,250 (3%)	N/A	HCDCH'S admin. costs	N/A	N/A

*Per 2002-03 Action Plan.

C. Civil Rights Program Related Requirements

1. Geographic Distribution of Investments

Maps showing the geographic distribution of resources are included in Appendix B.

County of Hawaii

HOME funds are allocated through a Request for Proposal (RFP) process. The projects selected for the HOME program serve low and moderate persons.

County of Kauai

The County of Kauai does not follow a set formula when investing available resources on community development and housing activities. Funding decisions are based on considerations such as addressing priorities, project-readiness, site suitability, and applicant qualifications. If possible, consideration is given to area benefit projects that can equitably distribute resources and benefits to larger geographical areas of the island. No minority concentrated areas are known to exist on Kauai.

County of Maui

Geographical areas served are Countywide for the First Time Homebuyers Assistance Program, West Maui (Lahaina, Kaanapali, Kahana, Napili, and Kapalua for the West Maui Resource Center, Central Maui (Wailuku and Kahului) for the Wailuku Small Business Market Center and the Hale O Mana'o Lana Hou, Phase II Project.

2. Participation in Benefits

HOME program participation by racial and ethnic status of the families and persons assisted is provided in Section II.A.1, Number and Types of Families Served.

HOPWA participation by racial and ethnic status is provided in Appendix D, HOPWA Annual Performance Report.

ESG participation by racial and ethnic status appears in the IDIS reports.

In ESG Program Year 2002, the Caucasian and Hawaiian homeless population are 31% and 36% respectively. Both ethnicities are over-represented in the State's homeless population. Caucasians comprise 23% of the State's total population and Hawaiians comprise 19%.

The Consolidated Plan stated that Caucasians homeless with HIV/AIDS is 64% and the Hawaiian homeless with HIV/AIDS is 8.1%. This ratio has remained relatively constant. In HOPWA PY 2002 the percentage is 61% Caucasian and 13% Hawaiian.

3. Fair Housing

The State and Counties are committed to eliminating racial and ethnic segregation and other discriminatory practices in housing. The State and Counties use various programmatic and enforcement tools to achieve this goal. The fundamental goal is to make housing choice a reality. The HCDCH and County Housing Agencies employ Fair Housing Officers who participate on the Community Housing Resource Board (CHRB) committee to further fair housing. During Program Year 2002-03, fair housing activities to help remove impediments involved the following actions:

Statewide activities

- The State and County Fair Housing Officers worked to commission a new consultant analysis to update the assessment of impediments to fair housing for the State of Hawaii. An update of the Fair Housing Analysis of Impediments was completed in June 2003 and included an action plan to be implemented by the State.
- Monthly meetings of the State and County Fair Housing Officers were held with the Hawaii Civil Rights Commission, HUD and the Legal Aid Society of Hawaii to discuss joint planned activities -- training workshops, sponsoring an art contest focusing on Fair Housing, etc.
- Fair Housing and Landlord Tenant workshops were held in July 2002 in all counties throughout the state. Similar workshops were also conducted in April 2003 in all counties throughout the state.
- The State of Hawaii supported LASH's application for education and outreach to the non-English speaking immigrants on fair housing law by participating in training activities.
- The Governor signed a proclamation in April 2003 that designated April as Fair Housing month in the State of Hawaii.
- HCDCH provided assistance to the general public, including persons with disabilities and families with children, on issues relating to Landlord Tenant Code and potential fair housing complaints.
- HCDCH educated various housing providers on their responsibilities under the Fair Housing Act.
- HCDCH educated various tenants on their rights under the Fair Housing Act and referred complaints to the Hawaii Civil Rights Commission
- HCDCH assisted persons with disabilities on ways to request a reasonable accommodation/modification from a housing provider.

- HCDCH investigated complaints within the State of Hawaii
- HCDCH staff participated in training for private groups, such as Congressman Neil Abercrombie, Marcus and Associates, etc.
- HCDCH worked with advocate groups to address issues within the disability community.

County of Hawaii

- The County promoted Fair Housing by making available to the public an informational Fair Housing brochure. The County's information booth in the County Building in Hilo and the County Office in Kona also distributed the brochure.
- The County cosponsored Fair Housing Workshops in Hilo and Kona in July 2002 and in April 2003, together with the Hawaii Civil Rights Commission (HCRC), H CDCH, the Hawaii Tribune Herald, and the West Hawaii Today.
- The County provided technical support regarding reasonable accommodations to the Section 8 Division for Kulaimano Elderly.
- The County distributed Fair Housing resource materials and posters to the Hawaii Island Board of Realtors, management firms, and various realtors.
- County staff received training at a Fair Housing Reasonable Accommodation Workshop in Hilo.
- The County provided technical assistance regarding Fair Housing complaints and referrals to the HCRC.
- In June, 2003, the County distributed Fair Housing brochures at the Prince Kuhio Home Improvement Show.

County of Kauai

- The Fair Housing Officer attended monthly CHRB fair housing meetings on Oahu to receive educational training in the area of the Americans with Disability Act and other fair housing issues. During the reporting period, the Fair Housing Officer received 79 telephone inquiries. Of the telephone contacts received, 57 were for landlord-tenant issues, 22 were for possible housing discrimination matters, centering mostly on accommodations for physical and mental disabilities and on familial status.
- The Fair Housing Officer monitored local newspapers on a weekly basis to review rental and sales solicitation ads for compliance with the requirements of the Fair Housing Act

- In July 2002, and April 2003, the Fair Housing Officer coordinated educational events to affirmatively further fair housing. Two functions emphasized the need for educating the public on aging, federal and state housing laws, and pet/animals in housing. Both events were designed to educate property managers, tenants, landlords, government housing staff, police and sheriffs, and other advocates. Additional training and support was provided to law enforcement officials on how to deal with eviction matters when complaints are received.
- In May 2003, the Fair Housing Officer attended a HUD-coordinated training for fair housing professionals (Fair Housing Officers; Compliance Officers; Fair Housing Investigators, FHAP and FHIP Project Directors). The training built working relationships, designed and coordinate future education and outreach, discussed how to service special clients (disabled and non-English speaking persons), and reviewed the process for handling housing discrimination complaints and referrals to the appropriate agency or organization.

County of Maui

- The County provided assistance to the Equal Opportunity Specialist of the U.S. Department of Housing and Urban Development (HUD) by receiving housing discrimination complaints and forwarding all pertinent information to the HCRC.
- The County sponsored the following training/workshops in partnership with the HCDCH and the HCRC:
 - "Ensuring Equal Housing Opportunity" on July 22, 2002, at the Maui Community College. This workshop targeted the public and private entities directly involved in housing activities and the general public.
 - "Ensuring Equal Housing Opportunity" on April 25, 2003, at the Maui Community College. This workshop targeted "mom and pop" landlords, resident/property managers and staff and the general public.

II. HUD Community Planning and Development Programs

A. HOME Program and Affordable Housing

The HCDCH allows the Counties, as HOME State Recipients, to utilize their share of HOME funds to address their respective housing needs. The funds must be used to address the housing priorities set forth in the State's Consolidated Plan, and the HOME project/program must be in compliance with HOME regulations.

During Program Year 2002-2003, the following categories of persons were assisted with housing:

1. Number and Type of Families Served

<u>Assistance by Income Group</u>	<u>Renters</u>	<u>Owners</u>
• 0-30% of Median Income	0	1
• 31-50% of Median Income	0	4
• 51-80% of Median Income	0	25

<u>Assistance by Racial and Ethnic Group</u>	<u>Renters</u>	<u>Owners</u>
• White (non-Hispanic)	0	8
• Asian/Pacific Islander	0	21
• Hispanic	0	1

Assistance to Homeless Persons

None

Assistance to Non-Homeless Persons with Special Needs (Persons with Disabilities)

None

2. Distribution of HOME funds among categories of housing need

For 2002-03, the HCDCH planned for HOME to be allocated as follows: 52% to meet the rental and special needs housing objectives; 33% to increase affordable for-sale and homeownership objectives; 5% to meet the rehabilitation objectives; and 10% for administrative costs.

3. Results of On-Site Inspection of Rental Housing Assisted

HCDCH conducted the following inspections:

- Paanau Village – The physical inspection was conducted on August 19, 2002. The project is in good physical condition. The buildings and grounds are maintained in a decent, safe and sanitary manner. The 3 HOME units inspected were found to be in decent, safe and sanitary condition.
- Kiheipua Transitional – The physical inspection was conducted on September 4, 2002. The project is in satisfactory physical condition. The 2 single family dwellings and grounds are maintained in a decent, safe and sanitary manner; however, the inspector noted that preventative maintenance measures need to be implemented. HCDCH is awaiting a written response from the County as to their future course of action
- Hualalai Elderly, Phase I and II – The physical inspections were conducted simultaneously in February, 2003. HCDCH contracted with Spectrum Enterprises to conduct the inspections of the project primarily for its Low Income Housing Tax Credit Program. HCDCH is still awaiting the completion of Spectrum's written review, the results shall be provided in the 2003-04 CAPER.

- Lihue Court Townhouse - The physical inspection was conducted on March 6, 2003. The project is in good physical condition. The buildings and grounds are maintained in a decent, safe and sanitary manner. The 8 HOME units inspected were in decent, safe and sanitary condition. The County of Kauai has responded that all corrective action items noted during the inspection were addressed.
- Hale Makana O' Waiale – The physical inspection was conducted concurrently with County HOME program staff on May 27-30, 2003. The project is in good physical condition. The buildings and grounds are maintained in a decent, safe and sanitary manner. Out of the 40 HOME units inspected, 38 were found to be in decent, safe and sanitary condition. The HCDCH is awaiting a written response from the County of Maui addressing the corrective action items for the 2 remaining units. The results will be provided in the 2003-04 CAPER.
- Kekuilani Gardens – The physical inspection has been rescheduled for September-October, 2003. The results of the inspection will be reported in the 2003-04 CAPER.

4. Assessment of Affirmative Marketing Actions

Based on HCDCH's most recent compliance monitoring review, the Counties of Hawaii, Kauai, and Maui were adequately meeting the requirements of the applicable affirmative marketing procedures.

5. Section 3

The HCDCH requires the Counties of Hawaii, Kauai and Maui, as State Recipients under the State's HOME Program, either to adopt their own or the State's Section 3 Plan. The County of Hawaii has adopted the State's plan, and the Counties of Kauai and Maui have developed their own. Pursuant to the respective Section 3 Plans, the Counties have certified that, to the greatest extent feasible, employment and other economic opportunities generated by HUD funds or HUD-assisted projects will be directed to low- and very low income persons.

6. Assessment of Outreach to Minority Owned and Women Owned Businesses

During this reporting period, the HCDCH completed its review of the effectiveness of its Minority-Owned and Women-Owned Business Enterprises (MBEs/WBEs) Outreach Program as it relates to the State of Hawaii's (the "State") HOME Program. The results of this review supported the HCDCH's decision to discontinue its Minority Business Enterprises Directory (MBED) and its annual registration process.

The HCDCH developed its annual registration process in 1994 to enable the State to identify and maintain a current listing of eligible MBEs and WBEs interested in being notified of opportunities for contractors, subcontractors, or vendors and suppliers of goods and services for projects funded by the State's HOME Program. Over the years, the HCDCH noticed that the MBEs/WBEs that were qualified to be on the HCDCH's MBED did not respond to solicitations for HOME projects in the Counties. Even more

troubling to the HCDCH, was the amount of MBEs/WBEs that either went out of business or chose not to respond the HCDCH's annual requalification requests.

HOME data compiled over the past two reporting periods show that 16 of 28 contracts and 6 of 15 subcontracts were awarded to MBEs. In addition, 2 of 28 contracts and 2 of 15 subcontracts were issued to WBEs. (Note: None of the MBEs/WBEs were in HCDCH's MBED). As contracts have been awarded to MBEs/WBEs who were not on the HCDCH's MBED, the HCDCH has determined that MBES/WBEs have been and will continue to be given opportunities to participate in HOME activities. On February 24, 2003, the HCDCH notified the State Recipients under the State's HOME Program that it would discontinue its MBED and annual registration process. The HCDCH provided the Counties an opportunity either to develop their own MBEs/WBEs Outreach Program or to follow the State's modified MBEs/WBEs Outreach Program as follows:

- All solicitations for the procurement of services and property by the state recipients, sub-recipients or other entities receiving funding under the HOME Program shall be required to include outreach efforts to the MBEs and WBEs (such as utilization of the State of Hawaii's Department of Transportation's Disadvantaged Business Enterprise Directory).
- All public notices of bids solicitation and requests for proposals shall include a statement that encourages participation by MBEs and WBEs.
- State recipients, subrecipients and other entities receiving funding under the HOME Program shall be required to report annually on the type and number of contracts awarded, the names and addresses of the firms awarded bids, the dollar value of all contracts awarded, the dollar value of contracts awarded to MBEs and WBEs, names and addresses of MBEs/WBEs who submitted bids but were not awarded contracts, and the method of implementing the outreach requirements.

The Counties of Hawaii, Kauai and Maui as State Recipients under the State's HOME Program have chosen not to develop their own MBEs/WBEs Outreach Program. Each acknowledged their acceptance and utilization of the State's current MBEs/WBEs Outreach Program as described above.

7. Data on the Amount of Program Income Used

The HCDCH allows the Counties of Hawaii, Kauai, and Maui, as State Recipients under the State's HOME program, to retain all program income for redistribution to other HOME Program eligible activities. HOME program income must be utilized prior to drawing from the U.S. Treasury account. The receipts and uses of program income during the reporting period are summarized below.

The County of Hawaii received \$24,544.21 in program income from its Kalaoa View Estates Project. The entire \$24,544.21 was applied towards its Hale Ulu Hoi III Project. As of June 30, 2003, the County of Hawaii had no available program income.

The County of Kauai received \$38,730.52 in program income from its First Time Homebuyers Program. The new receipt of program income, together with a previous balance of \$444,344.81, totals \$483,075.33. The County of Kauai applied \$388,771.02 of program income towards its Homebuyers Loan Program, \$38,535.00 towards its USDA Homebuyers Program and \$26,327.18 towards its HOME administrative costs. As of June 30, 2003, the County of Kauai had an available program income balance of \$29,442.13

The County of Maui did not receive any program income during the program year.

8. HOME Match Report

Since 1996, HUD has deemed the State to be in fiscal distress. As such, the State was granted a 50% match waiver. Please note that this match waiver was granted up to September 30, 2002. As such, for this reporting period, the State's match requirement is 12.5% of expenditures made from July 1, 2002 through September 30, 2002, and 25% from October 1, 2002 through June 30, 2003. Please refer to Appendix C for the HOME Match Report.

9. Slow-Moving Projects

The County of Hawaii's Tenant-Based Rental Assistance Program continues to be a slow-moving activity and has not provided any HOME rental assistance to new families during this reporting period. However, to ensure the timely commitment and expenditure of its HOME fund allocation, the County has reprogrammed an additional \$949,241.28 of the HOME funds originally targeted for tenant-based rental assistance to its Kamuela Senior Housing Project.

The County of Maui's Hale O Mana'o Lana Hou, Phase II Project is also considered to be a slow-moving activity, as there were no HOME funds drawn in over a year. In its written plan of action to the HCDCH, the County indicated that \$67,813.87 would be applied towards eligible HOME expenses and the remaining \$21,865 would be reprogrammed to its Wailuku Small Business Market Center Project. Please note that shortly after this reporting period, the County did complete its draw down as planned.

The Counties and HCDCH will continue to monitor any projects/programs determined to be slow-moving.

10. Reasonableness of Costs

To ensure cost reasonableness in HOME projects, the HCDCH requires the Counties of Hawaii, Kauai and Maui, as State Recipients under the State's HOME Program, to comply with the uniform administrative requirements contained within 24 CFR §92.505, including, but not limited to, the requirements in OMB Circular No. A-87. The HCDCH relies on OMB Circular No. A-133 audits, as applicable in its use on project close-outs. The HCDCH has also retained the right to require the Counties to provide for a separate certification and review of the total project cost by an independent third party as may be deemed necessary.

In addition, due to Hawaii's high housing costs, the Counties must often leverage their limited HOME Program funds with other funding sources, such as the HCDCH's Low Income Housing Tax Credit and Rental Housing Trust Fund Programs. Projects receiving funding from the HCDCH are further reviewed to ensure cost reasonableness since the HCDCH reviews the anticipated sources and uses statements and applicable construction and operational budgets provided at the time of application.

11. Self Evaluation

Rental Housing

In the area of rental housing, the State's objectives are to increase the supply of affordable rentals by 21 units per year, 105 units over five years. During this reporting period, no new rental units were produced. However, with a total of 278 rental units, the State has far exceeded its five year rental housing objective. There are currently an additional 9 rental projects either in development or conditionally committed for development, which will further increase the supply of affordable HOME assisted units.

In the area of tenant-based rental assistance, the State's objectives are to provide 60 eligible households with rental assistance per year, 300 households over five years. During this reporting period, the State did not meet its HOME objective, since the County of Hawaii has continued to focus its efforts on leasing up its expiring Section 8 vouchers in a tight rental market characterized by a lack of affordable rental units. The County did not provide any HOME rental assistance to new families during this reporting period. In an effort to ensure the timely commitment and expenditure of its HOME allocation, the County has reprogrammed an additional \$949,241.28 of the HOME funds originally targeted for tenant-based rental assistance to its Kamuela Senior Housing Project.

With respect to supportive housing, the State's objectives are to increase the supply of such housing by 10 units per year, 50 over five years. During this program year, no new supportive rental housing units were produced. Although the State has provided for only 7 units to date, it is continuing its effort to provide for supportive housing. This is evidenced by the anticipated completion of Maui's Hale O' Mana'o Lana Hou Project – Phase II by the end of 2003, which will provide for 16 rental units for persons with special needs. In addition, HOME funds have been conditionally committed to assist in the development of two elderly rental housing projects in the Counties of Hawaii and Maui.

A potential barrier to the effective administration of the State's HOME program is the process for on-site monitoring of HOME-funded rental projects. Written monitoring reports for on-site inspections, as well as County responses to deficiencies have not been received on a consistent, timely basis in all instances. The HCDCH will consider adopting monitoring procedures with milestones for inspections and the timely submission of written reports, county responses, and corrective action plans. The HCDCH has combined HOME inspections with Low Income Housing Tax Credit program inspections for some projects. The HCDCH will examine whether HOME monitoring can be better accomplished through an independent contract for on-site HOME inspection services.

Homeownership

The State's objectives in homeownership are to assist 22 homebuyers per year, 110 homebuyers over five years. During this reporting period, the State has exceeded its annual homeownership objective with the assistance of 30 new households, for a total of 85 families assisted over the past 3 years. Three active homebuyer assistance programs and a self help project that has received conditional funding commitment for development will further increase the number of affordable HOME assisted units.

The State did not meet its objective in the area of preserving existing affordable housing stock through rehabilitation activities. Funding priority was given to providing increased opportunities for first-time homebuyers.

B. HOPWA

HCDCH allocated \$155,200 in HOPWA funds to the Maui Aids Foundation (MAF), a centralized administrative agency that services the counties of Hawaii, Kauai, and Maui (islands of Maui, Lanai and Molokai). The State contracted with MAF as the administrator in an effort to facilitate the efficient use of the funds and increase flexibility in providing needed services in the rural counties.

The MAF has Memoranda of Understanding with the Big Island AIDS Project and the West Hawaii AIDS Foundation on the island of Hawaii and Malama Pono on the island of Kauai. Collectively, the four organizations successfully provide persons with HIV/AIDS living in the rural counties with long and short-term rental assistance and with supportive services on a first come, first-served basis among the counties.

The remaining balance of \$4,800 was retained for HCDCH's administrative costs.

1. Distribution of HOPWA Funds among Categories of Need

The use of the funds addresses all identified in the 2002-03 Action Plan. Summaries of program accomplishments are shown in Table 2; Appendix D, the Annual Progress Report (APR) for HOPWA; Performance Tables 1 and 2; and IDIS. The statistical information reflects the period July 1, 2002 to June 30, 2003, although the 12-month contract term began October 1, 2002, and ends September 30, 2003.

Through the tenant-based rental assistance program, 27 individuals and 4 persons in the family unit were able to retain permanent housing in open market rentals. Under the program, the MAF and partnering agencies in the consortium work in concert to complete intakes and applications, conduct unit inspections, and verify participant eligibility on their respective islands.

The AIDS service providers continue to serve as many clients as possible, given limited funding levels, by better networking with various non-profit organizations, government agencies, and the private sector. Two persons were assisted with support services only, and 374 persons received housing information services.

2. Barriers Encountered and Mitigative Actions

As detailed in the annual performance report (APR) narrative, there were no significant barriers encountered in the performance of HOPWA supported activities. Private agencies operate the program in the rural island counties; this provides direct monitoring and accountability.

There are a limited number of HIV-knowledgeable physicians on each of the islands of Hawaii, Kauai, and Maui, and no HIV-knowledgeable physician on the islands of Lanai and Molokai. The response is to send more clients to Honolulu for work up and switch to Kaiser Medical Center where a physician, specializing in HIV care, is on staff.

The collaboration between the AIDS service providers in the three rural counties in the distribution of HOPWA funds through one entity, Maui AIDS Foundation has proved to be extremely successful. The collaboration allows the agencies to be responsive to needs of clients in each county while providing flexibility in the use of funds between jurisdictions.

One challenge has been accommodating the rental subsidy needs of clients who relocate to Honolulu temporarily for medical treatment - how to extend support to that client when the client is in the City and whether to maintain his/her subsidized unit in the rural county while it is vacant. Another challenge has been working within the fair market rent (FMR) in a highly volatile rental market. The FMRs for Hawaii do not appear to be in line with the increasing rents on the rural islands. The statewide AIDS Housing Coordinating Committee received some technical assistance from AIDS Housing of Washington in February, 2003, and will continue to work with the City, the State and HUD to resolve these issues.

3. Monitoring

The HCDCH monitors the HOPWA Program project sponsors. The monitoring includes a review of independent financial audits, monthly review of expenses for tenant-based rental assistance and supportive service, verification of reported expenditures and persons served, and communication/training provided via telephone, e-mail and by facsimile. The program specialist documents any areas of noncompliance and details corrective action needed through written correspondence, telephone interviews, and by e-mail.

4. Other Resources

Other resources used in conjunction with the HOPWA program include funding from the State Department of Health STD/AIDS Prevention Branch, Ryan White CARE Act funds contracted and passed through by the statewide AIDS consortium, HOPWA Special Project of National Significance (SPNS) funds, Maui County general fund, United Way, private foundation funds, and various fundraising activities. Additionally, numerous volunteer hours are logged in support of the program.

Each of the above noted agencies has individuals living with HIV on its Board of Directors, utilizes Client Advisory Councils, participates in HIV Prevention Community

Planning and HIV Care Planning processes, and administers Ryan White CARE Act Funds. Additionally, each agency provides a plethora of services to their clients, funded from other sources, such as case management, food bank programs, emergency financial assistance, support groups, and psychological-social support.

5. Slow-Moving Projects

The HOPWA Program has been run in a timely manner and funds have been used in an efficient and timely manner.

6. Reasonableness of Costs

Having the MAF serve as the grant sub-recipient for the providers from the three rural island counties allows for efficient use of funds, coordinated networking, and sharing of resources. MAF serves as the field staff who can better scrutinize the expenditures to ensure that costs are reasonable and monitored. HOPWA funds were not used for acquisition or demolition activities of occupied real property.

C. Emergency Shelter Grant Program

The HCDCH issued a request for proposals for ESG funds and selected proposals based on meeting the homeless needs of the counties (which coincides with the goals, objectives and priorities noted in the Consolidated Plan) and on the ability to provide services at a reasonable cost.

On July 20, 2002, HUD notified the State that the allocation for ESG was \$175,000. By August 29, 2002, the HCDCH executed contracts for the entire grant amount (S-02-DC-15-0001) with private nonprofit homeless providers; this was within the required 65 days of the grant agreement with HUD.

1. Allocation of ESG Funds and Accomplishments

As proposed in the state Five-Year Consolidated Plan (July 1, 2000 through June 30, 2005) and Action Plan (July 1, 2002 through June 30, 2003), HCDCH allocated ESG funds among the Counties of Hawaii, Maui, and Kauai, and reserved three percent for HCDCH's administrative costs. The HCDCH awarded the funds as itemized below:

	Program	Administration	Total
<u>County of Hawaii:</u>			
- Child & Family Service	\$13,090.00	-0-	\$13,090.00
- Family Crisis Shelter	8,000.00	-0-	8,000.00
- Catholic Charities Community & Immigrant Services	36,215.00	-0-	36,215.00
- East Hawaii Coalition for the Homeless	38,800.00	-0-	<u>38,800.00</u>
Sub-total			\$96,105.00
<u>County of Kauai:</u>			
- YWCA of Kauai	\$13,475.00	-0-	<u>\$ 13,475.00</u>
Sub-total			\$ 13,475.00

County of Maui:

- Maui Economic Concerns of the Community	\$49,775.00	-0-	\$49,775.00
- Women Helping Women	\$10,395.00	-0-	<u>10,395.00</u>
Sub-total			\$60,170.00

<u>HCDCH:</u>		\$5,250.00	<u>\$5,250.00</u>
Total:	\$169,750.00	\$5,250.00	\$175,000.00

A comparison of ESG objectives and accomplishments is shown in Table 3 on page 12 of this CAPER.

The State entered into agreements with six recipients to subsidize homeless shelter operators so they are able to maintain their ability to provide homeless shelter as stated in the Priority Needs Summary Table of the State of Hawaii 2002-2003 Action Plan.

Homeless strategies along a continuum of care are as follows:

Priority/Target Group	Strategy	ESG fund allocation	Measures of effectiveness
Sheltered Homeless	Support the services in emergency and transitional shelters	100% of ESG	1,000 individuals transition to permanent housing

Program accomplishments by county are as follows:

County of Hawaii

Four recipients were awarded ESG funds to subsidize their operational costs at homeless or abuse shelters. Since the island of Hawaii is so large, the funding allocation is distributed to West and East Hawaii. This division provides more convenient access to program services.

- *\$8,000.00 for operational expenses, including utilities, repair and maintenance of the shelter, and outreach services* was committed to Family Crisis Shelter (FCS), which operates Turning Point for Families in West Hawaii. This provides housing for homeless persons who are battered or fleeing physical and/or sexual abuse and served 143 homeless persons.

Hawaii County continues to have a major problem with people using “Ice.” Many of the domestic violence victims served over the last year were addicted. If domestic violence victims try to leave the relationship, they are threatened with being reported to Child Welfare Services. This could cause them to lose custody of their children.

Lack of affordable housing is another problem, as victims often do not have any real resources of their own.

- *\$36,215.00 for operational expenses of the homeless transitional shelter* was committed to Catholic Charities Community & Immigrant Services (CCCIS), which operates the Kawaihae Transitional Shelter on the west side of the island. It has housing capacity for about 35 families and served 161 homeless persons.

CCCIS will be requesting a contract extension to fully expend its contract allocation. The request is a result of the agency's need to allocate expenses to other lapsing contracts. The shelter experienced an increase in incidents relating to substance abuse.

- *\$38,800.00 for operational expense of the homeless emergency shelter* was committed to East Hawaii Coalition for the Homeless (EHCH), which operates a homeless emergency and transitional shelter on the east side of the island. It provided shelter for 433 homeless persons.

Lack of affordable housing in East Hawaii has resulted in longer shelter stays, and created a backlog for those seeking shelter. At the end of June 2003, there were 17 families on the waiting list at the shelter.

County of Maui

- *\$49,775.00 for operational expenses of the emergency shelter* was committed to Maui Economic Concerns of the Community (MECC), which operates Ka Hale A Ke Ola Homeless Resource Center. This is the island's only emergency and transitional homeless shelter for families and individuals, and it served 658 homeless persons.

During the 12 months ended June 30, 2003, the Ka Hale A Ke Ola Homeless Resource Center provided 89,364 resident nights of shelter. This is an increase from the historical annual average of approximately 84,000 resident nights of shelter.

- *\$10,395 for operational expenses* was committed to Women Helping Women, which operates a shelter that provides 24-hour, 7-day/week advocacy and services for women and children victims of domestic violence. This was their first year as an ESG recipient, during which they served 208 homeless persons.

The shelter has recently seen an increase in immigrant women victims. The corresponding language, cultural, and religious barriers present new challenges for the staff. Most of these battered women believe that they are married to very powerful men who can have them deported.

County of Kauai

One recipient was awarded ESG funds to subsidize operational costs at their abuse shelter.

- \$13,475.00 for the operation of the abuse shelter was committed to theYWCA of Kauai, which operates the Family Violence Shelter. This abuse shelter has a 24 bed capacity and provided shelter for 75 persons.

Assistance with Temporary Restraining Orders has more than doubled over the past year. Women escaping from violent situations often turn to the Family Violence Shelter because they fear for the safety of friends or relatives, should they assist them with housing.

2. *Barriers Encountered and Mitigative Actions Taken*

A barrier to the effective administration of the State's HOPWA and ESG programs is that some grantees are not submitting reports on a timely basis. In addition, there are some problems with the IDIS. The HCDCH will identify steps to address these issues and may request technical assistance from HUD to correct errors in the system and to train HCDCH staff.

3. *HCDCH Monitoring/Oversight Process*

The HCDCH conducted site visits at all seven funded projects during the program year:

Family Violence Shelter (YWCA Kauai)	October 28, 2002
Ohana Spouse Abuse Shelter (CFS)	November 6, 2002
Hale Lomaikai (WHW)	November 13, 2002
Kawaihae Transitional Shelter (CCCIS)	February 21, 2003
Turning Point for Families	February 21, 2003
Ka Hale A Ke Ola Homeless Resource Ctr (MECC)	February 28, 2003

The site visits include a review of records to verify the information provided in the grantee's reports. At a minimum, a close review is conducted of the reported number of persons served (for verification of the client's eligibility for services, and for timely case management), and inspection of the premises to verify the existence of program services and amenities as reported by the grantee.

The HCDCH notes its findings in a performance compliance review report that is submitted to the grantee. If deficiencies are present, the grantee is required to submit a corrective action plan that is deemed acceptable by HCDCH. At the subsequent site visit, the HCDCH verifies that the corrective action plans addressing the previous year's findings were implemented.

The HCDCH monitors the grantee's accomplishment of its goals and objectives and the timeliness of grant expenditures in program year 2002-03 through the review of quarterly reports and payment requests.

4. *Match Requirement*

The State has satisfied HUD's requirement to match funding provided by the ESG program as described in 24 CFR 576.51 and 42 USC §11375. The HCDCH exceeded the required matching fund amount by funding the homeless provider agencies in the

Counties of Hawaii, Maui, and Kauai during the fiscal year through the State Homeless Shelter Stipend Program and the State Homeless Outreach Program. Stipend Program funds are used to assist and enable homeless persons to obtain and retain permanent housing and to live as independently as possible by providing safe, decent, and sanitary temporary shelter as well as meeting other basic survival needs. The program addresses the obstacles that prevent homeless persons from obtaining and retaining housing through a coordinated effort of health, housing, and social services programs. Outreach Program funds provide for intake and referral services and other needed basic services to the unsheltered homeless, who might not otherwise receive assistance. The program's goal is to assist unsheltered homeless persons to progress towards healthier, more stable living conditions with the ultimate goal of permanent housing and self-sufficiency.

State Homeless Programs	Hawaii	Maui	Kauai	Total
Stipend Program	\$465,000	\$570,000	\$ 50,000	\$1,085,000
Outreach Program	355,500	132,000	107,000	594,000
Total	\$820,000	\$702,000	\$157,000	\$1,679,000

The State contracted with 11 agencies statewide under the Stipend Program to operate 27 emergency and transitional homeless shelters. The following provider agencies operate shelters in the Counties of Hawaii, Maui, and Kauai:

Provider and Shelters on Hawaii, Kauai, and Maui		
Provider Agency	Homeless Shelter	Type
Island of Hawaii		
Catholic Charities Community & Immigrant Services	Kawaihae	Transitional housing for families
EHCH-Kihei	Hilo	Transitional/emergency housing for families
Mental Health Kokua	Hale Lehua & Surf	Transitional housing for mentally ill singles
Island of Maui		
Maui Economic Concerns of the Community	Ka Hale A Ke Ola & West Side Resource Center	Emergency shelter for singles and families
Mental Health Kokua	Maui Crisis	Transitional shelter for families
Island of Kauai		
Kauai Economic Opportunity	Komohana Group Home	Transitional housing for disabled singles
	Lihue Court Apartments	Transitional housing for families

5. Slow-Moving Projects

Catholic Charities will request a contract extension to fully expend its contract allocation.

Women Helping Women's project was not able to draw down funds because of a problem in IDIS. HCDCH is working to solve the IDIS problem to enable Women Helping Women to draw funds on their contract. All other agencies utilized their ESG funds in a timely manner.

6. Reasonableness of Costs

The HCDCH reviewed the applicants' proposed budgets to ensure that costs were reasonable and considered high priority items to maintain the homeless shelter. The recipients have been receiving ESG awards for the past several years and have, over time, streamlined their operations to minimize costs and maximize benefits to their clients. No grant awards for acquisition with rehabilitation or demolition activities of occupied real property were issued. An ESG financial status report is included as Appendix E.

III. OTHER HUD PROGRAM ACTIONS

A. Continuum of Care

Hawaii's heritage of *'ohana* or "family" connotes the community sense of belonging and taking responsibility for one another. That inter-relationship of all members in the community is a precursor for the Continuum of Care (CoC) concept wherein the community seeks to provide a continuum of services for those in need. The formal mechanism of a community-based continuum of care is now a vital part of each county's planning structure in Hawaii.

Continuum of Care Planning

Each county is a part of the chain of eight Hawaiian Islands, separated by the Pacific Ocean. Hawaii's non-contiguous islands make the development of a region-wide strategy a challenge, unlike in other states where the development of a regional strategy is more feasible. Therefore, the HCDCH implemented active CoC planning groups in each of the rural counties.

The planning for a CoC continues to be locally driven, and the HCDCH has committed to being an active participant in each County's planning efforts. The coordinated efforts between the HCDCH and each county's CoC group are to ensure that services are not duplicative or overlapping.

Homeless Assistance

The State of Hawaii, through the HCDCH, awarded the following funds to private agencies for the provision of services, shelter and programs for the homeless: \$3,346,000 for the State Homeless Stipend Program (shelter and supportive services); \$67,000 for the State Homeless Grant and Loan Program (rent/housing deposit and utility payment assistance); \$975,050 for the State Homeless Outreach Program (service to the unsheltered homeless including case management and the provision of medical care, food, living supplies, and referrals); \$175,000 for the Emergency Shelter Grant Program; \$160,000 for the Housing Opportunities for Persons with AIDS Program; and \$844,799 for the Supportive Housing Program.

Homeless Management Information System

The Homeless Management Information System (HMIS) will soon be operational. The system is web-based, and will provide a comprehensive overview of Hawaii's homeless population as well as track the chronically homeless numbers and service utilization. Data on homeless clients from an existing State database has already been converted over, and staff members from homeless agencies throughout the state have received training on how to use the system. Since HUD has just released its HMIS standards, changes to the system are needed, and are expected to be implemented over the next several months.

Statewide Planning

The state participates each year in the National Hunger and Homeless Awareness week in November. On November 22, 2002, the 7th Annual Statewide Homeless Forum convened at the State Capitol. The focus was on the Hawaii Homeless Policy Academy and its strategic plan to address homelessness statewide.

Mainstreaming and Collaboration

The Hawaii Homeless Policy Academy has embarked on several initiatives to provide the additional affordable housing units and the case management/housing placement services that are needed to foster success.

- The State Department of Health, Adult Mental Health Division (AMHD) responded to the housing needs of the seriously and persistently mentally ill with 332 housing units of supported housing.
- AMHD has also agreed to take the lead intervention role for the chronically homeless with dual diagnosis. This is significant for the client who has previously fallen between the jurisdictional crack.
- AMHD has placed on-line 623 supportive housing units, which provide on-site services in varying degree according to need in group home settings.
- The State Department of Human Services has allocated \$500,000 for housing placement and case management to help the homeless find and retain housing for the long term. This includes a concerted effort to cultivate landlords to enhance their willingness to rent to homeless clients and to Section 8 voucher holders.
- The State Legislature has allocated \$150,000 over the next year for outreach case management to sustain the chronically homeless in permanent rentals.
- The State Homeless Policy Academy collaborated with AMHD and the City and County of Honolulu to submit a \$35 million grant application under the Collaborative Initiative to End Chronic Homelessness to renovate three apartment buildings for permanent housing for the chronically homeless.
- The HCDCH contracted \$920,600 in state fund with private outreach providers to provide emergency stabilization services to unsheltered homeless. Services include assessment, case management and transition into shelters and permanent rental units. Three of the contracts were with rural county outreach agencies, totaling \$570,000.

“Housing First,” an evidence-based practice, is the philosophy that drives the Academy's efforts. Housing First is the practice of assessing the needs of the chronically homeless

person or family and placing them in permanent housing of their choice. Home-based case management and mainstream services are key to helping them retain permanent housing. The continuum of care planning groups have heartily endorsed the philosophy at the Statewide Forum in November 2002 and at the presentations at each continuum meeting.

Homeless Resource Guides

HCDCH continued its efforts to update and distribute the Homeless Resource Directory and Homeless Help Cards. These aids provide a guide to resources to law enforcement agencies, health institutions, and the general public.

HOPWA Collaboration and Planning

The HCDCH, in conjunction with the City and consultant, AIDS Housing of Washington (AHW), assessed the housing and support service needs of persons with HIV/AIDS and their families through a technical assistance workshop held on February 12, 2003. The workshop was a follow-up to last year's meeting, which resulted in increased collaboration between Gregory House Programs, serving the City and County of Honolulu, and the Rural Island HIV/AIDS Coalition, which serves the Counties of Hawaii, Kauai, and Maui.

The HCDCH has reactivated the Hawaii AIDS Coordinating Council to meet quarterly to discuss barriers to clients and to explore mitigative actions. The Council includes of AIDS housing and service providers, the Department of Health STD/AIDS Branch, the City and County of Honolulu Department of Community Services, and HCDCH.

B. Public Housing Issues/Initiatives

The HCDCH, resident associations, and service providers have been working together to make the public housing communities safe, clean, decent, and sanitary places to live and raise children.

The HCDCH has taken the lead in promoting resident development and self-sufficiency through a variety of activities. Most of the programs are federally funded and emphasize drug and crime elimination, education, job training, and economic development.

Performance reports for each federal grant are submitted to HUD. A summary of the activities undertaken during the 2002-03 program year follows:

Crime and Safety

HCDCH worked in partnership with the Attorney General's Crime Prevention and Justice Assistance Division, the Department of Education's Safe and Drug-Free Schools and Communities Program, and the Honolulu Police Department to coordinate residents, community team and staff participation at the Community Action Seminar and Community Action Seminar Follow Up. This year's team focused on underage drinking and illicit drugs. HCDCH sponsored 15 teams consisting of 159 participants. The Follow up meeting had the same 15 teams with 115 participants.

HCDCH partnered with the Attorney General's Crime Prevention and Justice Assistance Division to coordinate staff and resident participation at the "Training Institute – Helping Children with Behavioral Problems is Child's Play" workshop. HCDCH sponsored a total of 24 participants.

HCDCH also contracted the Youth Crime Watch of America to coordinate staff, residents, HPD and community participating at the "Youth Crime Watch of America's Training of the Trainers" workshop. HCDCH sponsored this three-day workshop in January 2003 in Hilo and in July 2003 on Oahu. Twenty-six adults and 28 youth from 4 housing sites participated in the January's workshop, and 19 adults and 50 youth from 4 housing sites participated in July's workshop.

HCDCH partnered with Weed & Seed to host the 2002 National Night Out on August 8th. The event was held at Waipahu Intermediate and recognizes voluntary resident patrols across the state for their efforts in preventing crime in their community. HCDCH sponsored 8 patrols with over 150 residents participating.

Self-Sufficiency

HCDCH promoted and coordinated various leadership, community planning, life skills, and conflict resolution programs.

- 39 residents participated in the CBASE (high school diploma) program; 6 residents graduated and received their diploma.
- 75 residents are participating in Goodwill Industries of Hawaii's training program for Nurses Aide, A+ Certified Computer Repair, and Human Services Worker.
- 130 Section 8 recipients are participating in the Family Self Sufficiency program.

Resident Opportunities and Self-Sufficiency Grants

HCDCH applied for and was awarded a \$300,000 ROSS grant to provide case management and congregate services at Kalakaua Homes, Makua Alii, and Paokalani elderly housing sites on Oahu.

The HCDCH also applied for 3 additional ROSS grants under HUD's SuperNOFA: \$500,000 in ROSS grant funds to provide case management, youth services, acculturation and job training at Mayor Wright Homes; \$300,000 in ROSS grant funds to provide case management services at Punchbowl Homes and Pumehana elderly sites on Oahu; and \$250,000 in ROSS grants to implement a Neighborhood Networks Center at Kuhio Park Terrace Resource Center Ka Hale O' Kamehaikana.

Resident Associations

One of HCDCH's priorities is the organization of resident associations. During the program year, the HCDCH formally recognized 22 resident councils, contacted and evaluated 5 associations, and reviewed by-laws for 5 associations. To date, 34 federal and 4 state public housing communities have recognized resident associations.

Resident Advisory Board

On June 28, 2001, Governor Cayetano enacted H.B. 539, S.D.I. (Act 289) which authorizes the establishment of a resident advisory board or boards to provide input on the development of substantial amendment to the public Housing Agency Plan. During the program year, HCDCH met twice a month with RAB members to obtain input and recommendations on the HCDCH's Five-Year and Annual Plan.

Revitalization of Distressed Public Housing Communities

HCDCH applied for a \$20 million HOPE VI grant to revitalize Kuhio Park Terrace, which was not funded. HCDCH will continue efforts to revitalize Kuhio Park Terrace.

C. Grantee Monitoring Results

During this reporting period, the HCDCH did not conduct its annual HOME on-site monitoring review of the Counties of Hawaii, Kauai and Maui due to the declaration of war against Iraq. As the airports and governmental offices were placed on high security alert, staff was advised to refrain from travel unless for emergency purposes. As such, the HCDCH focused its effort on the on-site inspections described in section II.A.3.

Grantee monitoring results for the HOPWA and ESG programs are included in the CAPER under the respective sections.

D. Obstacles for the Underserved

During the reporting period, the State supported other entities that provide assistance to underserved populations through the provision of financing incentives, housing information and technical assistance. For example, HCDCH maintains a housing information system that includes data on housing needs, supply and demand, housing programs, etc. Much of the information is available on HCDCH's web site at <http://www.hcdch.hawaii.gov>. HCDCH has also served as the lead agency for homeless issues in the State.

E. Grantee HUD Program Related Special Accomplishments

The State has no "special" accomplishments to report. The HCDCH is concentrating its efforts on administering the HOME, HOPWA, and ESG programs effectively and efficiently.

F. Foster and Maintain Affordable Housing

The State continued to make available incentives for non-profit and for-profit entities to develop affordable housing. Incentives include capacity building grants, low-interest loans, low income housing tax credits, and exemptions from the State's general excise taxes. HCDCH ensured that the organizations are aware of the benefits of the various state programs and of how equity may be obtained for affordable rentals.

G. Eliminate Barriers to Affordable Housing

The State and counties continue to seek waivers from development codes and standards for affordable housing projects pursuant to Chapter 201G, HRS.

H. Overcome Gaps in Institutional Structures

In order to maximize private sector participation in the provision of affordable housing, the HCDCH continues to co-sponsor housing related workshops with the Hawaii Community Reinvestment Corporation (a private non-profit entity) on a quarterly basis. These workshops serve to further educate non-profit and for-profit organizations and governmental agencies on the various resources available to provide affordable housing opportunities for Hawaii's families. The HCDCH anticipates the continuation of these co-sponsored workshops.

Ongoing communication and discussions continue among various entities resulting in effective use of resources to meet the priorities outlined in the Consolidated Plan. In the homeless area, the State continued to provide for staffing of the Homeless Programs Branch, which manages State allocations of stipend, outreach and grants as well as federal ESG, HOPWA and Shelter Plus Care programs.

The State and the Counties have also collaborated its effort to contract for a Homeless Needs Assessment, Housing, and Analysis of Impediments Studies. The studies will provide the information needed for the 2005 to 2009 Consolidated Plan.

The State also assists to build non-profit developer capacity through the provision of capacity building grants from the Rental Housing Trust Fund.

I. Lead-Based Paint Hazards

The HCDCH also continued to abate lead-based paint at two Federal public housing projects: 28 units in Lanakila Homes Phase 2B in the County of Hawaii and 63 units in Kalihi Valley Homes Phase 2, in Honolulu.

J. Reduce Number of Families in Poverty

The State's strategy to reduce the number of poverty level families was to (a) meet basic subsistence requirements for those in need, (b) strengthen and preserve families, and (c) support self-empowerment.

The Department of Human Services continues to implement its policy that requires adults who are receiving financial assistance under the Temporary Assistance to Needy Families (TANF) or Temporary Assistance to Other Needy Families (TAONF) to participate in work programs. Non-compliance with the work program results in a full-household termination of assistance. Also, every work mandatory adult who has received assistance for at least 24 months must participate in a work activity. The adult must participate in an activity for each month he or she receives financial assistance after month twenty-four. Failure to do so will make the entire household ineligible.

K. Certifications of Consistency

In addition to the HOME, HOPWA, and ESG funds the State receives from HUD, there are other national competitive grants awarded by HUD. These grants require that the applicant attach a Certification of Consistency from the State or County which certifies that the proposed project is consistent with the County's Consolidated Plan.

The State has provided the following certification for consistency with the priorities of the State Consolidated Plan:

City and County of Honolulu, lead agency in application for Shelter Plus Care, in partnership with the State Department of Health, Adult Mental Health Division, for an application to the “Collaborative Initiative to Help End Chronic Homelessness.” The proposed projects are located in the rural Waianae area of the City and County of Honolulu and in rural County of Hawaii.

IV. IDIS REPORTS

The following CAPER IDIS Reports are required to be submitted to HUD as part of the CAPER process. These documents are available for review upon request and are as follows:

PR03 – Activity Summary for Grantees

PR06 – Summary of Consolidated Plan Projects for Report Year

HOME Reports

PR22 – Status of HOME Activities

PR23 – Summary of Accomplishments

PR25 – Status of CHDO Funds by Fiscal Year

PR27 – Status of HOME Grants

PR33 – HOME Match Liability Report

ESG Reports

PR19 – ESG Program Grantee Statistics for Program Year

PR20 – ESG Grantee Activity Summary

To request a specific report or any other information on this report, please call or write to :

Housing and Community Development Corporation of Hawaii

Attn: Planning and Evaluation Office

677 Queen Street, Suite 300

Honolulu, Hawaii 96813

Phone: 808/587-0639

Fax: 808/587-0600

Email: hcdch@hcdch.hawaii.gov

APPENDIX A

Description of Government and Private Resources

Appendix A: Resources Available to the State for Use in Meeting Strategic Planning Goals

Federal Resources

HOME - The HOME Investment Partnerships program is intended to be a locally designed and administered program which: expands the supply of decent, safe, affordable, and sanitary housing, with primary attention to low-income rental housing; strengthens the abilities of state and local governments to design and implement affordable housing strategies; and provides both federal financing and technical assistance (including the development of model programs and approaches). The program is also intended to provide local jurisdictions with a source of funds which can be used to implement locally designed housing programs which best fit local needs. *Activity: Rehabilitation, new construction, rental assistance, home buyer assistance*

Emergency Shelter Grants (ESG) - Emergency Shelter Grants may be used to renovate, rehabilitate, or convert buildings to be used as emergency shelters; to provide essential services (employment, health, drug abuse, or education); and to provide maintenance, operation, insurance, utilities, and furnishings for these facilities. *Activity: Operations, essential services, prevention*

HOPWA Program - The Housing Opportunities for Persons with AIDS (HOPWA) program is authorized by the AIDS Housing Opportunity Act (AHOA) and amended by the Housing and Community Development Act of 1992. The program is designed to provide States and localities with resources and incentives to devise long-term comprehensive strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS) or related diseases and their families. The program authorizes entitlement grants and competitively awarded grants for housing assistance and services.

Since the State qualifies for a formula allocation on behalf of the State's rural counties, the consolidated plan describes the planning process with care provider input. Moneys are available both on a formula and competitive basis. Competitive grants are awarded based on applications submitted in response to a Notice of Funding Availability published in the Federal Register. Jurisdictions that do not qualify for formula grants are eligible to apply for competitive grants for the development of comprehensive, long-term strategies to address HIV/AIDS and homelessness. Additionally, jurisdictions that do qualify for formula grants may also apply for competitive grants for programs that address needs that are unmet by formula grants. *Activities: Rental housing assistance and support services.*

HOPE VI - Addresses public housing demolition, site revitalization, and replacement housing. Funds are awarded on a competitive basis and are available to public housing agencies that own or operate public housing units. The program will fund demolition, substantial rehabilitation, reconfiguration and/or replacement of severely distressed housing units, revitalization of the site, provision of replacement housing, management

improvements, resident self-sufficiency programs, provision of tenant-based assistance and assistance to tenants displaced by demolition. HCDCH is applying for HOPE VI funds for the revitalization of the Kuhio Park Terrace public housing project located in Kalihi-Palama on Oahu. *Activity: Rehabilitation, new construction, rental assistance, supportive services*

CDBG Program - Community Development Block Grants are provided to carry out a wide range of community development activities directed toward neighborhood revitalization, economic development, and improved community facilities and services. *Activity: Rehabilitation, new construction*

Capital Fund - The Capital Fund Program was established by the Quality Housing and Work Responsibility Act of 1998. The Act amended section 9 of the U.S. Housing Act of 1937 to provide a “capital fund” for the purpose of making assistance available to public housing agencies to carry out capital and management activities. The Capital Fund Program is a block allocation of funds by formula to public housing agencies regardless of size. The money under this program is used by the agencies to raze, develop, modernize, and/or manage public housing units. *Activity: Rehabilitation, new construction*

Resident Opportunity and Self Sufficiency Program (ROSS) - These programs utilize HUD funds to address the needs of public housing residents by providing supportive services that will enable the linking of essential services to public housing residents, provide resident empowerment activities and assistance in becoming economically self-sufficient, provide resources to enhance independent living for the elderly and persons with disabilities, provide capacity building for resident organizations, and improve the overall quality of life for public housing residents. *Activity: Supportive services*

Supportive Housing Program, 24 CFR Part 583 - The Supportive Housing Program is authorized by Title IV of the Stewart B. McKinney Homeless Assistance Act. The Supportive Housing Program is designed to promote the development of supportive housing and supportive services, including innovative approaches to assist homeless persons in the transition from homelessness, and to promote the provision of supportive housing to homeless persons to enable them to live as independently as possible. Additionally, the program includes safe haven projects which is designed to provide a safe residence for homeless persons with serious mental illness who are currently residing primarily in public or private places not designed for, or ordinarily used as a regular sleeping accommodation, and who have been unwilling or unable to participate in mental health or substance abuse treatment programs or to receive other supportive services.

Competitive grants are awarded based on applications submitted in response to a Notice of Funding Availability published in the Federal Register. All States, units of local government, and non-profit organizations are eligible to apply for competitive grants. *Activities: Acquisition, rehabilitation, new construction, and supportive services.*

Single Room Occupancy (SRO), 24 CFR Part 882 - The purpose of Section 8 Moderate Rehabilitation Program for Single Room Occupancy (SRO) Dwellings for Homeless Individuals is to provide rental assistance for homeless individuals in rehabilitated SRO housing. The Section 8 assistance is in the form of rental assistance payments. These payments equal the rent for the unit, including utilities, minus the portion of the rent payable to the tenant under the U.S. Housing Act of 1937.

Competitive grants are awarded based on applications submitted in response to a Notice of Funding Availability published in the *Federal Register*. All States, units of local government, and non-profit organizations are eligible to apply for competitive grants to fund projects of national significance. *Activity: Rental assistance.*

Low Income Housing Tax Credits - The federal Low-Income Housing Tax Credit (LIHTC) Program provides \$1.75 in tax credits per capita per annum. This program enables developers to utilize the sale of tax credits as a source of equity financing for low-income rental housing projects. The State was allocated \$2.4 million in federal tax credits for FY 2003 and awarded \$948,427 in tax credits. *Activity: New construction, acquisition, rehabilitation*

Section 8 Housing Choice Vouchers - The Section 8 Housing Choice Voucher Program is a federally-funded rent subsidy program. Eligible participants receive rent subsidies (in the form of Section 8 certificates or vouchers) to live in private sector housing units. *Activity: Rental assistance, homeownership for eligible first-time homebuyers*

Section 202 - Supportive Housing for the Elderly provides assistance to expand the supply of housing with supportive services for the elderly. *Activity: Rehabilitation, new construction*

Section 811 - Section 811 Supportive Housing for Persons with Disabilities Program provides funding to expand the supply of specially designed housing with supportive services for persons with disabilities. *Activity: New construction*

Permanent Housing for Persons with Disabilities - Grants to states on behalf of project sponsors, private nonprofit organizations or public housing authorities, to defray the cost of acquiring and/or rehabilitating existing buildings for permanent housing for up to eight homeless persons with disabilities; direct payments to fund a portion of annual operating costs and support services for up to five years. *Activity: Acquisition, rehabilitation*

Transitional Housing - Grants to public and private nonprofit entities to defray the cost of acquiring and/or rehabilitating existing buildings to house and provide supportive services to homeless persons; direct payment to fund a portion of annual operating costs, child care, employment assistance programs, and other supportive services for up to five years. *Activity: Acquisition, rehabilitation, support services*

Shelter Plus Care - The purpose of this program is to provide rental housing assistance in connection with supportive services funded from other sources to homeless persons with

disabilities, such as serious mental illness, chronic problems with alcohol, drugs, or both, or AIDS and related diseases. To the extent practicable, at least 50% of all funds are to be reserved for homeless individuals who are seriously mentally ill or have chronic alcohol or drug abuse problems. *Activity: Rental assistance*

Youthbuild - Youthbuild provides grants on a competitive basis to non-profit organizations to assist high-risk youth between the ages of 16-24 to learn housing construction job skills and to complete their high school education. Program participants enhance their skills as they construct and/or rehabilitate affordable housing for low- and moderate-income persons. *Activity: Rehabilitation, new construction, support services*

U.S. Department of Agriculture - Rural Development (formerly Farmers Home Administration) - USDA-RD Section 502 Single Family Home Ownership Program - provides eligible persons who will live in rural areas an opportunity to obtain adequate but modest, decent, safe, and sanitary dwellings and related facilities through the provision of guaranteed loans and low-interest rate mortgage financing. Loans are also available to participants in mutual self-help housing programs. *Activity: Homebuyer assistance*

USDA-RD Section 523 Technical Assistance Grants for Administering a Mutual Self-Help Housing Program - provides qualified public and private non-profit organizations with financing for effective programs of technical and supervisory assistance to help low-income families build homes in rural areas by self-help method. *Activity: New construction*

USDA-RD Section 504 Home Improvement Loans and Grants - provides improvement loans to people who may not need or cannot afford a new house, but need some work done on their present house to bring it up to minimum standards. Loans and grants are also provided to homeowners to remove health or safety hazards from their dwelling. Grants are made only to low-income elderly homeowners, 62 years or older. *Activity: Rehabilitation*

USDA-RD Section 515 Rural Rental Housing Program - provides loans for rental housing in rural areas for persons with very-low, low and moderate-incomes and for those age 62 and older. Loans are primarily made to build, purchase, or repair apartment-type housing, usually consisting of duplexes, garden-type, or similar multi-unit dwellings. The housing must be modest in size, design, and cost, but adequate to meet the tenant's needs. The program also provides rental assistance to extremely low-income tenants. *Activities: New construction, acquisition, rehabilitation, rental assistance*

USDA-RD Section 533 Housing Preservation Grants - provides public bodies and qualified non-profits with grants to conduct a housing preservation program benefiting the extremely low- and low-income rural residents. *Activity: Rehabilitation*

Federal Home Loan Bank of Seattle (FHLB) is a private, wholesale bank serving lenders in the 12th District, which includes Alaska, Hawaii, Idaho, Montana, Oregon, Utah,

Washington, Wyoming, and the Territory of Guam. The FHLB offers two specially-priced advance programs to member financial institutions that, in turn, are used to fund qualifying developments or home purchases.

- a. Affordable Housing Program: Under this program, FHLB sets aside 5% of its net income to assist qualifying programs to provide homeownership which is affordable to households earning 80% of the median income or below, at least 20% of which is affordable to households earning 50% of the median or below. *Activity: Homebuyer assistance*
- b. Community Investment Fund: Under this program, FHLB advances credit at its cost of funds to lenders to finance affordable housing and community development, including rental or owner housing affordable to households earning 115% of the area median income or below or commercial development in low- and moderate-income neighborhoods or that benefits low- and moderate-income households. *Activities: New construction, acquisition, rehabilitation, homebuyer assistance*

Private and Non-Federal Public Resources

- Private Resources

Financial institutions play an important role in the financing of affordable housing projects. Major activities being undertaken by private lenders include: (1) origination and servicing of Hula Mae mortgage loans for qualified first-time homebuyers; (2) servicing of State-funded low-interest loans for self-help housing projects; (3) formation and funding of a consortium of banks and savings and loan institutions to provide below-market interest rate loans to finance affordable rental projects (see Hawaii Community Reinvestment Corporation under non-profits below); and (4) participation in the financing of various affordable housing projects in compliance with the Community Reinvestment Act (CRA). Increased activity by the financial institutions is anticipated as a result of CRA requirements. *Activity: Acquisition, new construction, homebuyer assistance*

Private Funds such as private donations, in-lieu developers' fees, and private foundations are sources of private moneys which will be used to help finance the development of affordable housing. *Activity: Acquisition, rehabilitation, new construction*

Private lands - Private developers are playing an increasing role in the provision of affordable housing opportunities. Developers/landowners may dedicate developable land to support the construction of affordable housing. Developers also set aside a portion of their newly-constructed housing units for affordable housing. *Activity: New construction*

The Hawaii Community Reinvestment Corporation (HCRC) is a private, non-profit entity with a purpose of providing financing and technical assistance to facilitate the development of affordable rental housing. Twenty-one Hawaii financial institutions came together in 1991 to create a committed partnership. (Due to bank consolidations,

there are currently nine financial institutions.) Its \$50 million loan pool is funded by its members, all of whom participate in each HCRC loan. Each loan is secured by a mortgage on the property being financed. Once in place, the loans have been sold on the secondary market to allow the funds to be recycled by HCRC in order to fund future projects. Recycling has allowed HCRC to loan \$76 million to date with its \$50 million loan pool.

The HCRC conducts quarterly seminars on a range of topics dealing with rental housing including financing options available, making application for tax credits and managing tax credit projects. HCRC also provides consulting services to assist developers to obtain funding via tax credit applications, Rental Housing Trust Fund applications, and Federal Home Loan Bank grants.

Additionally, the HCRC created a low-income housing tax credit equity fund, wherein HCRC will serve as the syndicator for developers who receive an allocation of low-income housing tax credits for projects located in the state. The Hawaii Affordable Housing Fund I and Fund II (Funds) have raised nearly \$40 million and a third fund is in organization. HCRC's subsidiary, the Hawaii Investors for Affordable Housing, Inc. is the general partner of the Funds and has the responsibility of seeking out tax credit projects which the Funds can purchase. The purchase price paid by the Funds represents cash equity to the developer to help fill the gap between the project cost and the supportable debt. *Activity: Acquisition, rehabilitation, new construction*

Private Foundations, such as the Harry and Jeannette Weinberg Foundation and the Consuelo Foundation provide grants to help finance affordable housing projects. *Activity: Acquisition, rehabilitation, new construction, rental assistance, homeless assistance, homeless prevention*

Faith-based Organizations have traditionally been on the cutting edge of the homeless issue. Today, all of the major homeless shelters statewide have roots in church based efforts: The Institute for Human Services and the Catholic Church. There are broader church strategies which include establishing eviction prevention funds, resettling families with temporary church housing, subsidizing rents and leases, and developing rental properties and housing for sale. The churches will continue to play a major role in housing the State's homeless. *Activity: Acquisition, rehabilitation, new construction, rental assistance, homeless assistance, homeless prevention*

- Non-Federal Public Resources

State Dwelling Unit Revolving Fund (DURF) is used primarily for interim construction financing of housing projects. Funds are extremely limited. *Activity: New construction, rehabilitation*

State Low-Income Housing Tax Credits - The State allocates low income housing tax credits equivalent to 30% of the federal credit on an annual basis. Approximately

\$600,000 is available each year in State credits. *Activity: Acquisition, rehabilitation, new construction*

State CIP Funds - Legislative appropriations for the development of State low-rent public housing projects serve to complement the Federal public housing program. State CIP funds are also appropriated for elderly housing, Department of Hawaiian Home Lands projects, and the acquisition and renovation and development of housing for SDMI clients. *Activity: Acquisition, rehabilitation, new construction*

State Grant-in-Aid Funds - Legislative appropriations for non-profit organizations to assist in various types of affordable housing programs. *Activity: Acquisition, rehabilitation, new construction*

State Rental Assistance Program encourages private sector participation in the development and preservation of rental housing projects. Rental subsidies averaging \$175 per month are committed to qualified projects (which set aside units affordable to households earning up to 80% of the area median income. The 1992 State Legislature amended this program to allow for other uses of the funds (see Rental Assistance Revolving Fund, below). A limitation was set as to the maximum commitments and contracts HCDCH could enter into, and this limit has been reached. Until the existing contracts expire or a new limit is passed by the Legislature, no new commitments will be made under this program. *Activity: Rental assistance*

Rental Assistance Revolving Fund. In 1992, the State Legislature set aside \$25 million from the Rental Assistance Program for the purpose of providing interim construction loans for rental projects. An additional \$25 million in taxable bonds may be issued to increase the fund to a total of \$50 million. Loans of up to \$10 million per project may be made at an interest rate of 4-5% and 1 point. Rental projects must meet one of the following criteria:

- At least 20% of the units for individuals earning up to 50% of the median income;
- At least 40% of the units for individuals earning up to 60% of the median income; or
- At least 60% of the units for individuals earning up to 140% of the median income.

Primary preference is for private non-profit and for-profit developers. *Activity: New construction, rehabilitation*

Rental Housing Trust Fund was created by the State Legislature in 1992 to provide loans or grants for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing. At least 50% of the units are to be set aside for persons and families with incomes at or below 60% of the median income at the time of admission. At least 10% of the units are to be set aside for persons and families with incomes at or below 30% of the median income at the time of admission. The

remaining units must be for persons or families with incomes at or below 100% of the median income at the time of admission. Act 216, 1998 Session Laws of Hawaii, requires that 10% of the available units and 33.33% of the trust funds be allocated to projects for families with incomes at or below thirty percent of the area median income.

Activity: Acquisition, rehabilitation, new construction

The Hula Mae Multi-Family Bond Program provides private developers/owners of rental housing with interim and permanent financing at below-market interest rates through the issuance of tax-exempt revenue bonds. To be eligible, the rental projects must reserve at least 20% of their units for tenants whose incomes are less than 50% of the area median income, or 40% of the units for tenants whose incomes are less than 60% of the area median. The developer/owner must agree to keep the project in compliance with these requirements for the term of the loan. *Activity: Acquisition, rehabilitation, new construction*

Hula Mae Single Family Mortgage Purchase Program. This program provides below-market interest rate mortgage loans for first-time homebuyers through the sale of tax-exempt revenue bonds. *Activity: Homebuyer assistance*

Exemption from the State's 4% general excise tax (GET) may be provided to qualified persons and firms involved with the design, construction, sale or lease of an eligible affordable housing project developed by or for the HCDCH, the counties, or other government entity. Rental income received on affordable units may also be exempted from the 4% GET. *Activity: New construction, rehabilitation*

Mortgage Credit Certificate Program. This program provides federal tax credits to eligible borrowers, making more income available both to qualify for a mortgage loan and make monthly payments. *Activity: Homebuyer assistance*

State Rent Supplement Program. This program is a State-funded program which provides participants with subsidies to live in private sector housing units. The subsidy is intended to provide supplemental rental assistance not to exceed \$160 per month per family. Criteria for participation include income limits (based on family size) and occupancy standards (based on family definition) which have been established by the State Legislature. Families may earn up to 50% of the median income. *Activity: Rental assistance*

State Homeless Shelter Stipend Program. The Stipend program assists provider agencies in paying for costs involved in providing shelter and services to eligible homeless families and individuals. The goal of the program is to assist and enable homeless people to obtain and retain permanent housing and to live as independently as possible. Approximately \$3.7 million is anticipated to be available for fiscal year 2002. *Activity: Homeless assistance*

State Homeless Outreach Program. This program makes available intake and referral services and other needed basic services to the unsheltered homeless who might not

otherwise receive assistance. The goal of the Outreach program is to assist unsheltered homeless persons to progress toward a healthier, more stable living condition with the ultimate goal of permanent housing and self-sufficiency. Approximately \$1,600,000 is anticipated to be available for fiscal year 2002. *Activity: Homeless assistance*

State Homeless Emergency Loans and Grants Program. This program makes available to eligible homeless families and persons program assistance to prevent, avoid, or remedy homelessness and its associated dangers. The goals of the Grant Program include preventing at-risk homeless persons from becoming homeless, assisting homeless persons with housing, food, medical, first month's rent or rental deposit, and other types of expenses arising from emergency needs, and addressing the long-term stability of the participant. Approximately \$1,000,000 is anticipated to be available for fiscal year 2002. *Activity: Homeless assistance, homeless prevention*

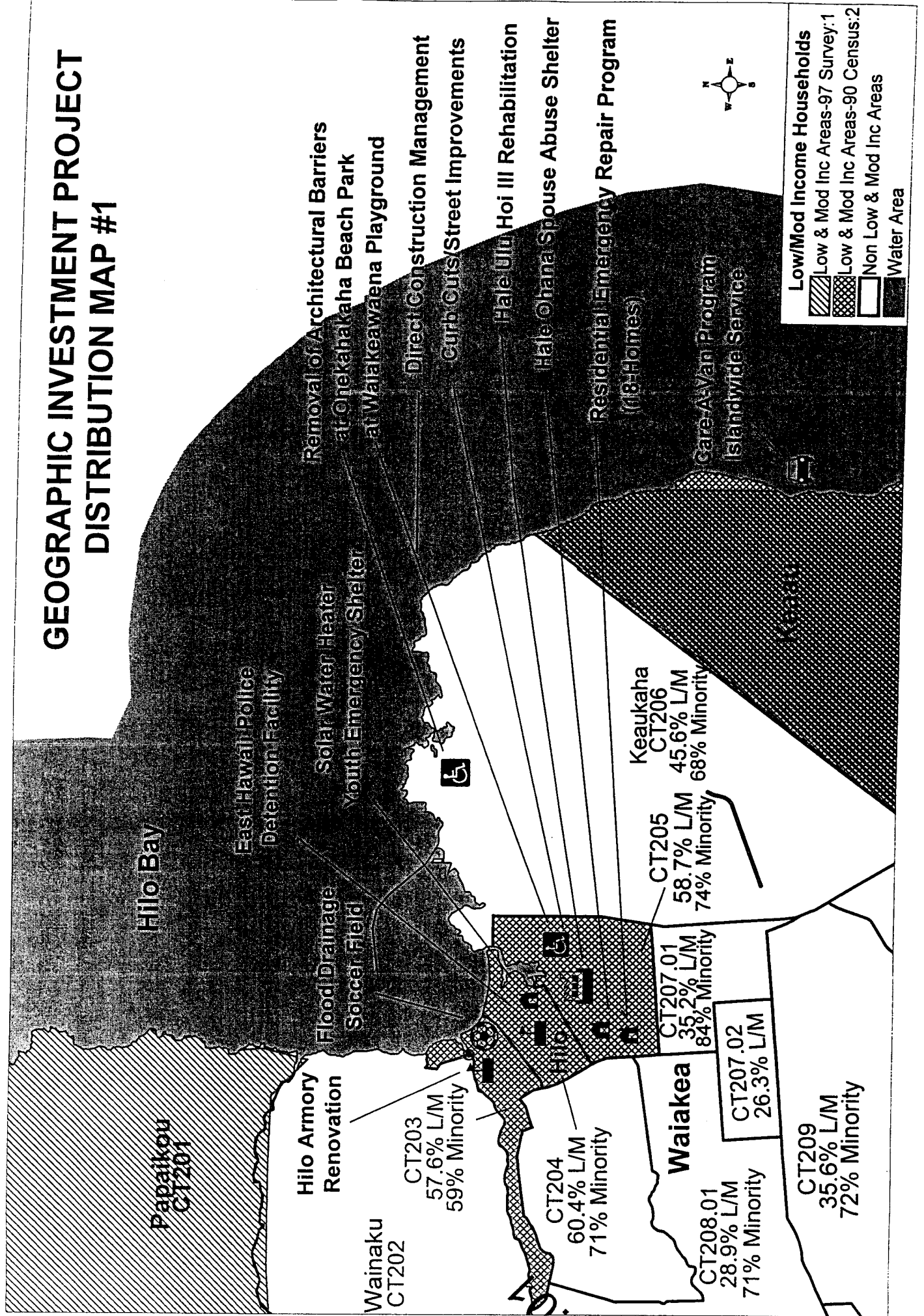
State Department of Defense, Office of Veterans Service - provides advocacy services to assist homeless veterans to file claims and appeals for financial compensation and medical care. *Activity: Homeless assistance, support services*

County Funds are used to finance various housing projects, either singly or as a supplement to State and/or federal funding. *Activity: Acquisition, rehabilitation, new construction, homebuyer assistance, rental assistance, homeless assistance, homeless prevention*

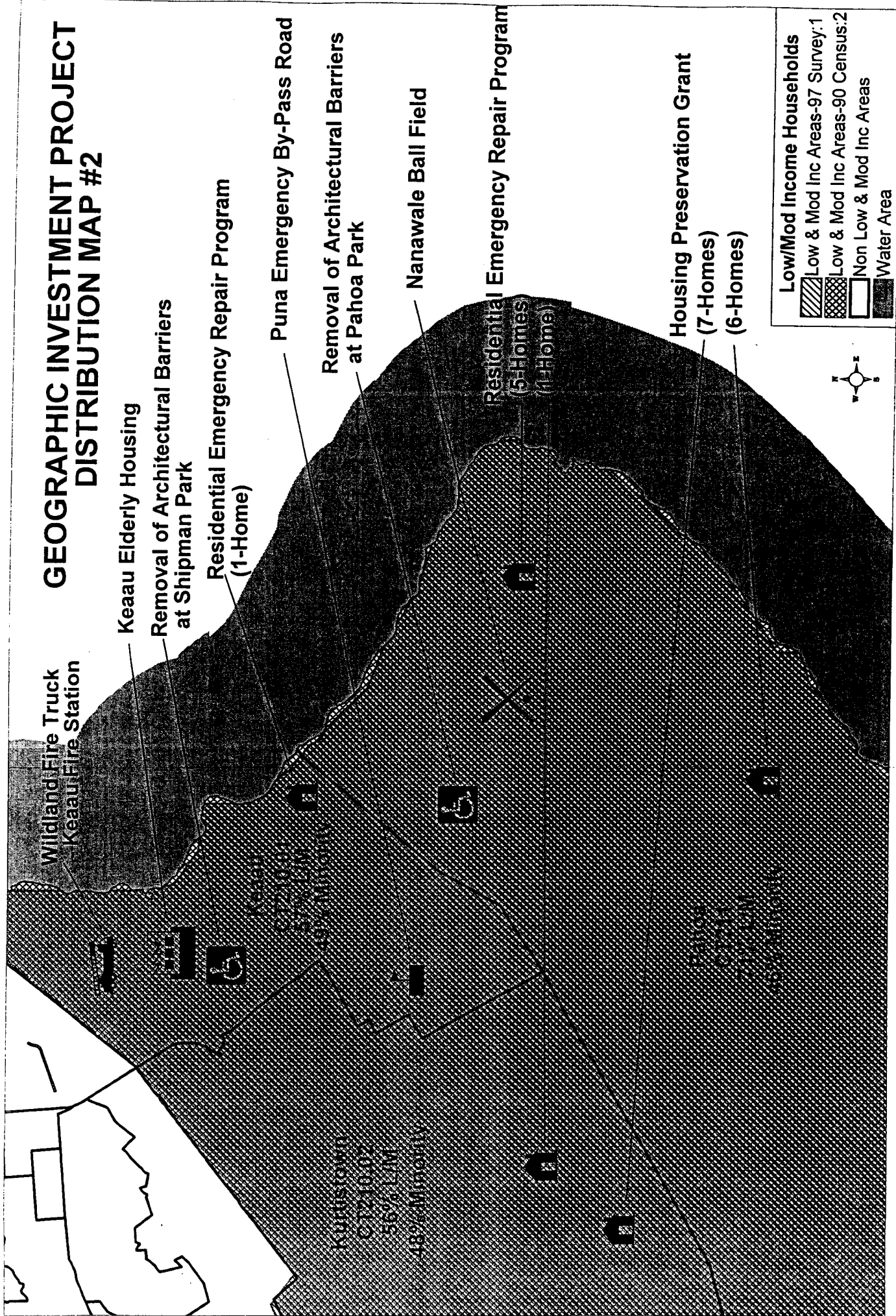
APPENDIX B

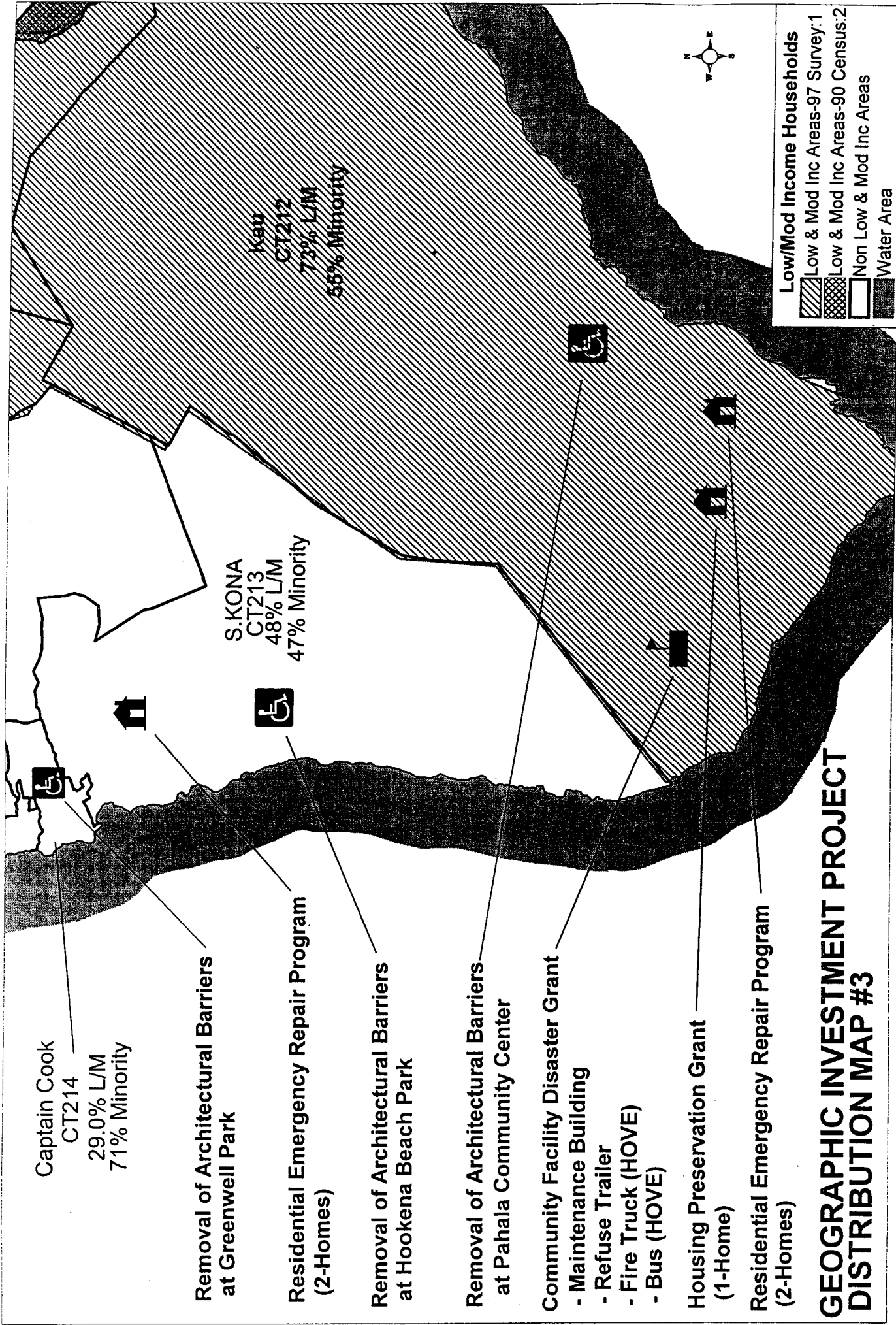
Geographic Distribution of Resources Maps

GEOGRAPHIC INVESTMENT PROJECT DISTRIBUTION MAP #1



GEOGRAPHIC INVESTMENT PROJECT DISTRIBUTION MAP #2





Captain Cook
CT214
29.0% L/M
71% Minority

Removal of Architectural Barriers
at Greenwell Park

Residential Emergency Repair Program
(2-Homes)

Removal of Architectural Barriers
at Hookena Beach Park

Removal of Architectural Barriers
at Pahala Community Center

Community Facility Disaster Grant
- Maintenance Building
- Refuse Trailer
- Fire Truck (HOVE)
- Bus (HOVE)

Housing Preservation Grant
(1-Home)

Residential Emergency Repair Program
(2-Homes)

S.KONA
CT213
48% L/M
47% Minority

Kau
CT212
73% L/M
55% Minority

Low/Mod Income Households
[Hatched Box] Low & Mod Inc Areas-97 Survey:1
[Cross-hatched Box] Low & Mod Inc Areas-90 Census:2
[White Box] Non Low & Mod Inc Areas
[Blue Box] Water Area



GEOGRAPHIC INVESTMENT PROJECT DISTRIBUTION MAP #3

GEOGRAPHIC INVESTMENT PROJECT DISTRIBUTION MAP #4

Hawi Self-Help Housing

Transportation Services
- Van Purchase

Ouli Self-Help Housing

Kawaihae Shelter

Removal of Architectural Barriers
at Waimea Courthouse
at Waimea Park
at Spencer Beach Park
at Waikoloa Park

Residential Emergency Repair Program
(3-Homes)

Removal of Architectural Barriers
at Konawaena Pool

Hualalai Elderly Housing, Phase II

Residential Emergency Repair Program
(5-Homes)

Homeless Shelter

Removal of Architectural Barriers
at Kahaluu Beach Park



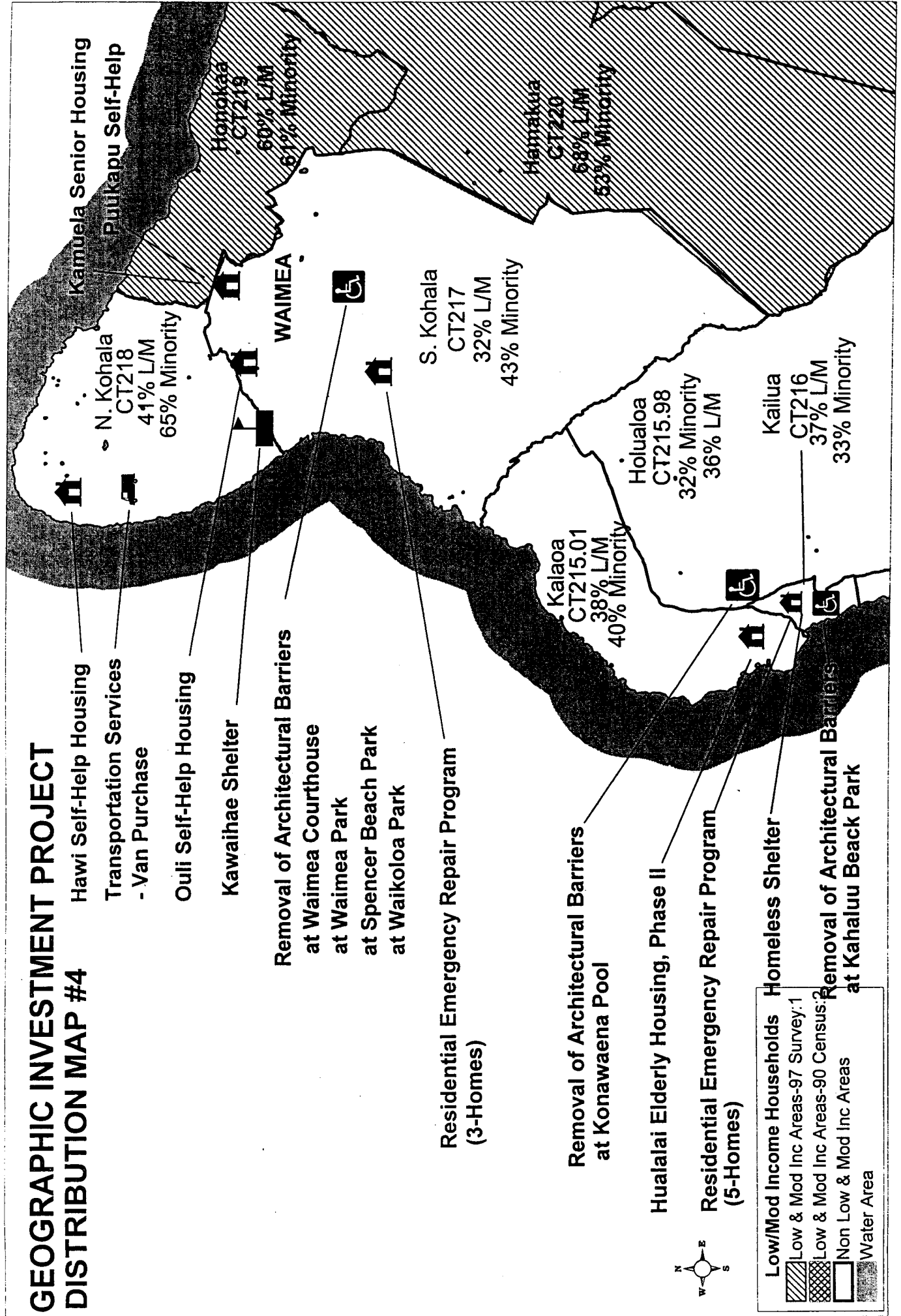
Low/Mod Income Households

Low & Mod Inc Areas-97 Survey.¹

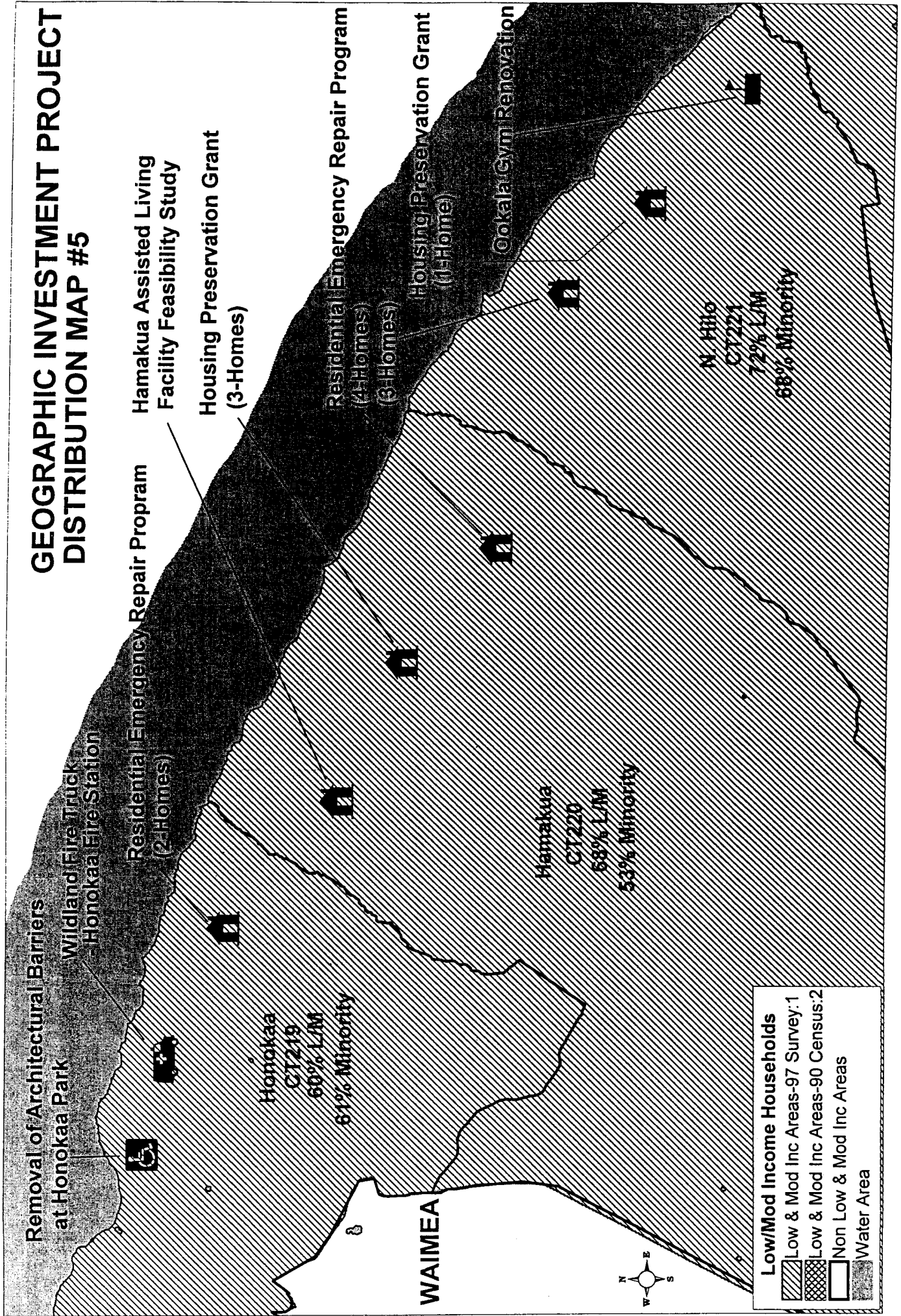
Low & Mod Inc Areas-90 Census.²

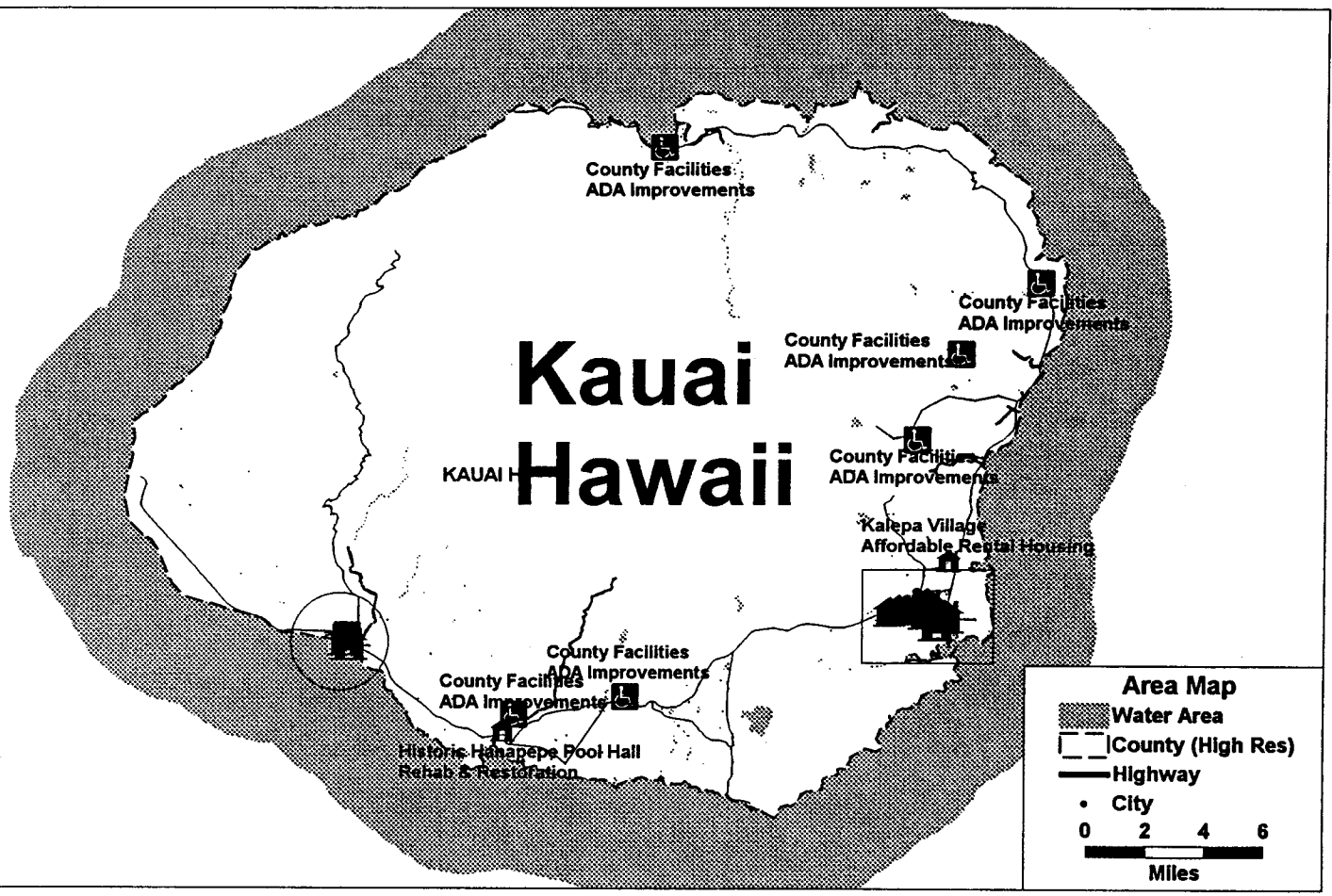
Non Low & Mod Inc Areas

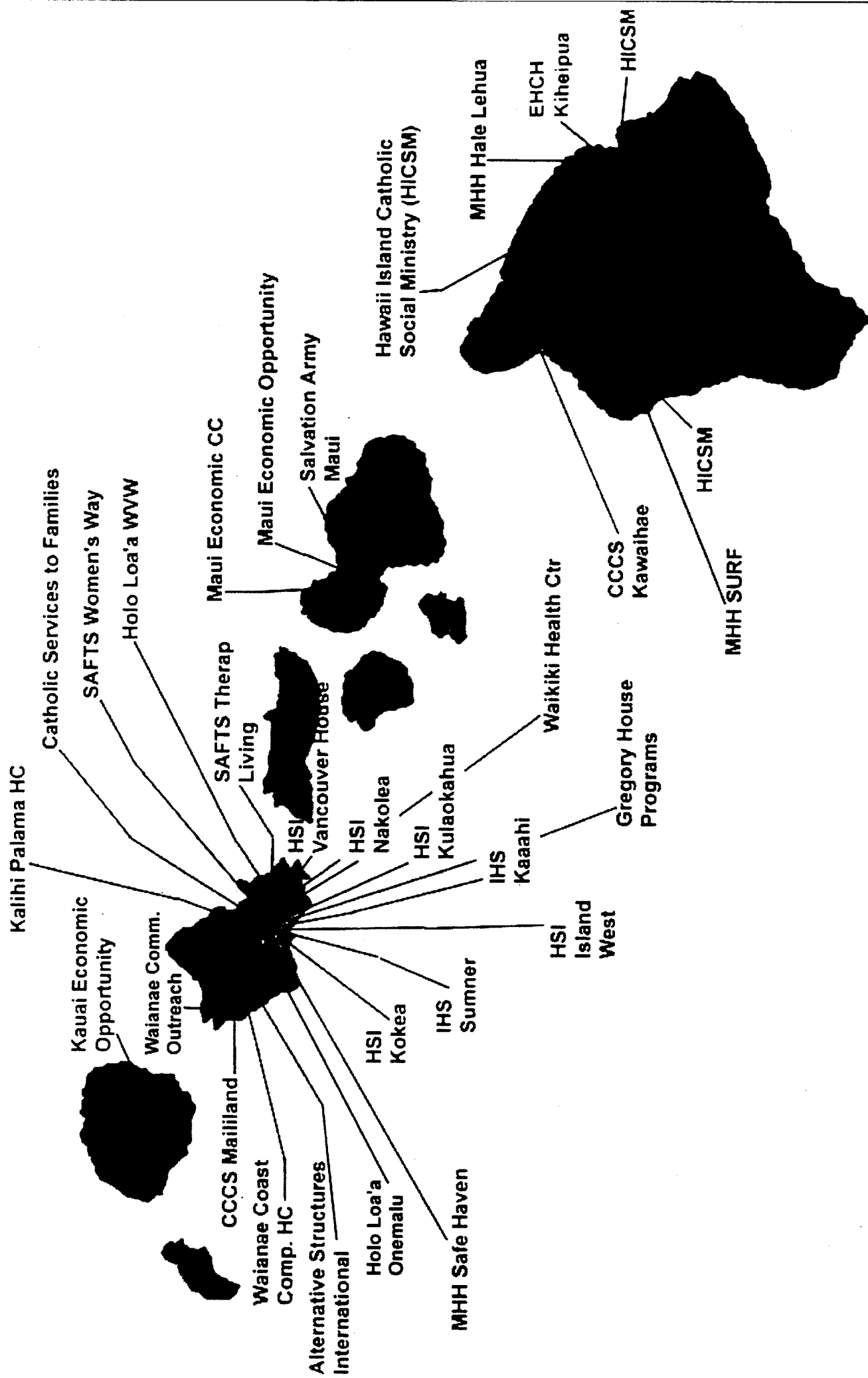
Water Area



GEOGRAPHIC INVESTMENT PROJECT DISTRIBUTION MAP #5







APPENDIX C

HOME Match Report

**U.S. Department of Housing and Urban Development
Office of Community Planning and Development**

OMB Approval No. 2506-0171
(exp. 03/31/2005)

[illegible]

Annual Performance Report HOME Program

U.S. Department of Housing
and Urban Development
Office of Community Planning
and Development

OMB Approval No. 2506-0171
(exp. 03/31/2005)

Public reporting burden for this collection of information is estimated to average 2.5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

The HOME statute imposes a significant number of data collection and reporting requirements. This includes information on assisted properties, on the owners or tenants of the properties, and on other programmatic areas. The information will be used: 1) to assist HOME participants in managing their programs; 2) to track performance of participants in meeting fund commitment and expenditure deadlines; 3) to permit HUD to determine whether each participant meets the HOME statutory income targeting and affordability requirements; and 4) to permit HUD to determine compliance with other statutory and regulatory program requirements. This data collection is authorized under Title II of the Cranston-Gonzalez National Affordable Housing Act or related authorities. Access to Federal grant funds is contingent on the reporting of certain project-specific data elements. Records of information collected will be maintained by the recipients of the assistance. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when public disclosure is not required.

This form is intended to collect numeric data to be aggregated nationally as a complement to data collected through the Cash and Management Information (C/M) System. Participants should enter the reporting period in the first block. The reporting period is October 1 to September 30. Instructions are included for each section if further explanation is needed.

Submit this form on or before December 31.	This report is for period (mm/dd/yyyy)		Date Submitted (mm/dd/yyyy)
Send one copy to the appropriate HUD Field Office and one copy to: HOME Program, Rm 7176, 451 7th Street, S.W., Washington D.C. 20410	Starting 07/01/02	Ending 06/30/03	

Part I Participant Identification

1. Participant Number SG150100	2. Participant Name STATE OF HAWAII - Housing and Community Development Corporation of Hawaii		
3. Name of Person completing this report Linda K. Shintani		4. Phone Number (Include Area Code) 808-587-0578	
5. Address 677 Queen Street	6. City Honolulu	7. State HI	8. Zip Code 96813

Part II Program Income

Enter the following program income amounts for the reporting period: in block 1, enter the balance on hand at the beginning; in block 2, enter the amount generated; in block 3, enter the amount expended; and in block 4, enter the amount for Tenant-Based rental Assistance.

1. Balance on hand at Beginning of Reporting Period 444,344.81	2. Amount received during Reporting Period 63,274.73	3. Total amount expended during Reporting Period 478,177.41	4. Amount expended for Tenant-Based Rental Assistance 0	5. Balance on hand at end of Reporting Period (1 + 2 - 3) = 5 29,442.13
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Part III Minority Business Enterprises (MBE) and Women Business Enterprises (WBE)

In the table below, indicate the number and dollar value of contracts for HOME projects completed during the reporting period.

	a. Total	Minority Business Enterprises (MBE)				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
A. Contracts						
1. Number	9	0	5	0	0	4
2. Dollar Amount	1,154,857.18		406,007.22			748,849.96
B. Sub-Contracts						
1. Number	3	0	1	0	0	2
2. Dollar Amount	170,694.00		59,409.00			111,285.00
	a. Total	b. Women Business Enterprises (WBE)	c. Male			
C. Contracts						
1. Number	9	1	8			
2. Dollar Amount	1,154,857.18	29,494.20	1,125,362.98			
D. Sub-Contracts						
1. Number	3	1	2			
2. Dollar Amounts	170,694.00	26,985.00	143,709.00			

Part IV Minority Owners of Rental Property

In the table below, indicate the number of HOME assisted rental property owners and the total dollar amount of HOME funds in these rental properties assisted during the reporting period.

	a. Total	Minority Property Owners				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
1. Number	0	0	0	0	0	0
2. Dollar Amount						

Part V Relocation and Real Property Acquisition

Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition. The data provided should reflect only displacements and acquisitions occurring during the reporting period.

	a. Number	b. Cost				
1. Parcels Acquired	0	0				
2. Businesses Displaced	0	0				
3. Nonprofit Organizations Displaced	0	0				
4. Households Temporarily Relocated, not Displaced	0	0				
Households Displaced	a. Total	Minority Business Enterprises (MBE)				f. White Non-Hispanic
		b. Alaskan Native or American Indian	c. Asian or Pacific Islander	d. Black Non-Hispanic	e. Hispanic	
5. Households Displaced - Number	0	0	0	0	0	0
6. Households Displaced - Cost						

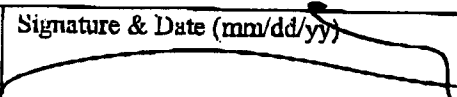
APPENDIX D
HOPWA Annual Performance Report
Performance Charts 1 and 2

**U.S. Department of Housing and Urban Development
Office of Community Planning and Development**

OMB Approval No. 2506-0133 (exp.11/30/2003)

**Annual Progress Report (APR)
for Housing Opportunities for Persons
With AIDS (HOPWA)**

**Housing Opportunities for Persons with AIDS (HOPWA)
Annual Progress Report**

Grant Number(s) H1H01-F999 and H1H02-F999	Program Year for this report From (mm/dd/yy) 07/01/02 To (mm/dd/yy) 06/30/03
Grantee Name Maui AIDS Foundation	
Name of EMSA (if applicable)	
I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012, 31 U.S.C. 3729, 3802)	
Name & Title of Authorized Official Jonathon Berliner / Executive Director	Signature & Date (mm/dd/yy)  8/8/03
Name & Title of the Person who can answer questions about this report Pua Mahoe / Housing Program Director	Phone (include area code) (808)2424900
Address 1935 Main Street, Suite 101, Wailuku, Hawaii 96793	

Part 1 Summary.

Exhibit A - Overview of Accomplishments.

Please briefly describe the principal activities carried out during the program year on a page(s) attached to this report. List your specific objectives and briefly describe your success in meeting these objectives. Technical Assistance / Resource Development activities should be described in this section. Including information on how recipients of assistance were chosen and on what services were provided.

Exhibit B - Program Improvements.

Describe on a page(s) attached to this report:

(1) **Barriers.** Any barriers or difficulties that were encountered in implementing the program, including residents' concerns, and actions that were taken to address those issues: and

(2) **Recommendations.** Any recommendations that you may have for program improvements, including procedural, regulatory, or other changes, and how such improvements would assist eligible persons.

Part 2 Demographics.**Exhibit C - Numbers of Persons and Families Assisted During the Program Year with HOPWA Funds.**

1. Persons Assisted With Housing Assistance. In the table below, enter the number of persons who received housing assistance funded by HOPWA during the program year. Do not report on persons only receiving supportive services or persons only receiving housing information services. If a person's HIV status is unknown, count that person in (b).

a. Number of persons (adults and children) with HIV/AIDS who received housing assistance	27
b. Number of other persons in family units who received housing assistance	4
c. Total of persons who received housing assistance (a. plus b.)*	31

* Note that this number will be the basic participation number used for reporting other program information throughout the report, including the characteristics of persons assisted (Exhibit D).

2. Families Assisted With Housing Assistance. Of the total of persons assisted with housing assistance (1-c, above), how many family units were assisted (do not include single person households).

(Definition of Family: "Family" means a household composed of two or more related persons. The term "family" also includes one or more eligible persons living with another person or persons who are determined to be important to their care or well being, and the surviving member or members of any family described in this definition who were living in a unit assisted under the HOPWA program with the person with AIDS at the time of his/her death. [Section 574.3])

Total of family units assisted with housing assistance:

4

3. Persons Assisted With Supportive Services Only. In the table below, enter the number of persons who received only supportive services funded by HOPWA during the program year. Do not include persons who received supportive services in conjunction with housing assistance (1-c. above).

a. Number of persons (adults and children) with HIV/AIDS who received supportive services only	2
b. Number of other persons in family units who received supportive services only	0
c. Total of persons who received supportive services only (a. plus b.)	2

4. Persons Receiving Housing Information Services. Enter the estimated number of persons who received housing information services funded by HOPWA during the program year. This number may include persons also reported above (1, 2, and 3).

Estimated total of persons receiving housing information services:

374

Exhibit D - Characteristics of Persons Receiving Housing Assistance During the Program Year.

Throughout this exhibit answer all questions regarding persons receiving HOPWA supported housing assistance during the year (i.e. persons reported in Exhibit C 1). Do not include information on persons only provided with supportive services or housing information

1. Demographics.

a. Age and gender. Of those who received housing assistance during the operating year, how many are in the following age and gender categories?

Persons	male	female
a. 17 years and under	0	1
b. 18 to 30 years	3	0
c. 31 to 50 years	23	2
d. 51 years and over	2	0

b. Hispanic/non-Hispanic. How many participants are in the following ethnic categories?

a. Hispanic	0
b. Non-Hispanic	31

c. Race. How many participants are in the following racial categories?

a. Asian/Pacific Islander	8
b. Black	2
c. Native American or Alaskan Native	2
d. White	19

d. Recent living situation. How many participants were in the following living situations immediately prior to entering the program? Include participants in the one category that best describes the participant's most recent living situation.

a. Homeless from the streets	0
b. Homeless from emergency shelters	0
c. Transitional housing	0
d. Psychiatric facility*	0
e. Substance abuse treatment facility*	0
f. Hospital or other medical facility*	0
g. Jail/prison *	0
h. Domestic violence situation	0
i. Living with relatives/friends	1
j. Rental housing	31
k. Participant-owned housing	0
l. Other (please specify)	0

* If a participant or family head(s) of household came from one of these facilities but were there less than 30 days and were living on the street or in emergency shelter before entering the treatment facility, they should be counted in either the street or shelter category, as appropriate.

2. Incomes. For those receiving housing assistance, enter the number of individuals and family units falling under these income categories at the time of their entry into the program. (The total for this element may differ from the total in Exhibit C 1.)

	Gross Monthly Incomes at Entry in Program					
	\$0-250	\$251-500	\$501-1000	\$1001-1500	\$1501-2000	\$2001+
Number of individuals and family units	0	1	19	10	1	0

3. **Reasons for leaving.** Of those who left a program that provided housing assistance during the operating year and are not expected to return (do not include, for example, participants who temporarily left their housing for a brief period of hospitalization), complete the chart below based on how long they were in the program before leaving and the primary reason for their leaving the program. If a participant left for multiple reasons, *Include only the primary reason* for their departure.

Reason for Leaving	Number of Months in Program			
	less than 3	3 to 6	7 to 12	more than 12
a. Voluntary departure	1	0	0	3
b. Non-payment of rent	0	0	0	0
c. Non-compliance with supportive service requirements	0	0	0	2
d. Unknown/Disappeared	0	0	0	0
e. Criminal activity / destruction of property / violence	0	0	0	0
f. Death	0	0	0	0
g. Other (please specify)	0	0	0	0

Part 3 Program Expenditures and Housing Provided.

Expenditures are amounts spent for eligible activities. Do not include non-HOPWA sources or in-kind items, such as the value of services or materials provided by volunteers or by other individuals or organizations.

Exhibit E - Summary of Program Expenditures.

This exhibit will provide information about available HOPWA funds and HOPWA expenditures for the program during the reporting period.

Include only expenditures made from a single competitively-awarded HOPWA grant. Please round dollar amounts to the nearest dollar.

HOPWA Funding Available		
1. Unexpended HOPWA funds at end of previous report period (this balance is 0 in the first year of program)	51799.92	
2. Amount of HOPWA grant received during period	99122.73	
3. Program income (e.g., loan repayments)	0.00	
4. Total of HOPWA funds available during period (sum of lines 1 thru 3)	150922.65	

Also report the following aggregate totals by type of activity for the report period (totals equal all expenditures of HOPWA funds during this period):

HOPWA Expenditures (Totals by Eligible Activity)		
5. Expenditures for Housing Information Services	0.00	
6. Expenditures for Resource Identification	0.00	
7. Expenditures for Housing Assistance (equals the sum of all sites and scattered-site Housing Assistance reported in Exhibit G.)	123963.58	
8. Expenditures for Supportive Services (equals the sum of all Exhibit H funds used)	11421.29	
9. Grantee Administrative Costs expended	15537.78	
10. Project Sponsor(s) Administrative Costs expended	0.00	
11. Total of HOPWA funds expended during period (sum of lines 5 thru 10)	150922.65	
12. Balance of HOPWA funds at end of report period (line 4 minus line 11)	0.00	

Exhibit F - Units of Housing Assistance.

For housing assistance provided in facilities, including project-based rental assistance, complete Item 1. For housing assistance payments, either tenant-based rental assistance or short-term payments, complete Item 2.

1. Units by type of housing facility. Report the number of units that were used during the program year by number of bedrooms. Enter the number of units of project-based rental assistance under the appropriate type of facility.

Type of housing facility	Units by number of Bedrooms						
	SRO	0 bdrm	1 bdrm	2 bdrms	3 bdrms	4 bdrms	5+ bdrms
a. Short-term facility							
b. Single room occupancy dwelling							
c. Community residence							
d. Other housing facility (specify):							

2. Units by type of housing assistance payment. Report the number of units that were used during the program year by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for that unit.

Type of housing assistance payment	Units by Number of Bedroom size						
	SRO	0 bdrm	1 bdrm	2 bdrms	3 bdrms	4 bdrms	5+ bdrms
a. Tenant-based rental assistance	0	1	16	6	8	0	0
b. Short-term rent, mortgage and utility payments	0	0	2	0	0	0	0

(Note: This page summarizes information provided on each site or activity location in Exhibit G.)

Exhibit C - Housing Assistance Expenditures.

1. Facility Based Housing Assistance. For each site, provide information on development actions and actual HOPWA expenditures for a facility during the report period. Such facilities include community residences, SRO dwellings, short-term facilities, and other housing facilities approved by HUD, and non-housing based facilities. A site may include more than one structure or type of facility. All expenditures for acquisition, rehabilitation/conversion, lease, repairs, new construction, operating costs and technical assistance for a facility should be reported in this exhibit. (Please do not include funding for related supportive services; these services are reported in Exhibit H. Except for administrative costs for community residences supported by a 1992 grant, all grantee and project sponsor administrative expenses are reported in Exhibit E. Housing information services and resource identification are also reported in Exhibit E.)

1-a Site Information.

Name of project	Name and Address of project sponsor
Address/location of site	

1-b Site development actions. For each site, provide the following dates or other information. (Do not submit if a previous annual progress report indicated that all activities at this site were completed and that services had been initiated.)

a. Date of closing on purchase of building or execution of lease	e. Date new construction was completed
b. Date rehabilitation started	f. Date operations staff was hired
c. Date rehabilitation was completed	g. Date residents began to occupy
d. Date new construction started	h. Date supportive services began

1-c Units by type of housing facility.

Indicate the type of housing that was provided (i.e., enter one of the following: Short-term facility, SRO dwelling, Community residence, or specify another type of housing facility).

Type of housing facility	Units by number of Bedrooms						
	SRO	0 bdrm	1 bdrm	2bdrms	3 drms	4 bdrms	5+bdrms
a. Short-term facility							
b. Single room occupancy dwelling							
c. Community residence							
d. Other housing facility (specify):							

1-d Expenditures by facility site. Enter the amount of HOPWA funds expended during the operating year for the activities listed below.

Type of activity	HOPWA Funds		
a. Acquisition			
b. Rehabilitation/conversion/repair			
c. Lease			
d. New construction (community residences/SRO dwellings only)			
e. Operating costs			
f. Technical assistance (community residences only)			
g. Project-based rental assistance			
h. Other (specify)			
i. HOPWA Total for this site			

2. Scattered-Site Housing Assistance. For housing assistance provided through tenant-based rental assistance and short-term rent, mortgage, and utility payments, submit this form for each project carrying out scattered-site housing assistance.

1-a Name and address of project sponsor

Maui AIDS Foundation

1935 Main Street, Suite 101 P.O. Box 858

Wailuku, HI 96793

2-b General location(s) of activity

Maui AIDS FOUNDATION'S Office is in Maui County. Maui AIDS Foundation provides services through Memorandum of Agreement with Malama Pono (Kauai), Big Island AIDS Project (Hawaii) and West Hawaii AIDS Foundation (Hawaii)

2-c Implementation actions. For the project, provide the following dates. (Do not submit if a previous annual progress report indicated that housing assistance and services had been initiated.)

a. Date residents began to use payments (mm/dd/yy)		
b. Date supportive services began (mm/dd/yy)		

2-d Units by type of housing assistance payments. Report the number of units that were used during the program year by number of bedrooms. Count each unit assisted as one entry regardless of the number of monthly payments made for that unit.

Type of housing assistance payment	Units by Number of Bedrooms						
	SRO	0 bdrm	1 bdrm	2 bdrms	3 bdrms	4 bdrms	5+ bdrms
a. Tenant-based rental assistance	0	1	16	6	8	0	0
b. Short-term rent, mortgage and utility payments	0	0	2	0	0	0	0

2-e Expenditures by type of housing assistance payment. Enter the amount of HOPWA funds expended during the operating year for the activities listed below.

Type of housing assistance payment	HOPWA Funds
a. Tenant-based rental assistance	119544.00
b. Short-term rent, mortgage and utility payments	4419.58

Exhibit H- Supportive Service Expenditures.

Submit this form for each project carrying out supportive services activities.*

Name and Address of project sponsor

MauiAIDS Foundation

1935 Main Street, Suite 101 P.O. Box 858

Wailuku, HI 96793

General location(s) of activity

Maui AIDS Foundation's Office is in Maui County. Maui AIDS Foundation provides services through Memorandum of Agreement with Malama Pono (Kauai), Big Island AIDS Project (Hawaii), and West Hawaii AIDS Foundation (Hawaii).

Date services began: 07/01/02

Enter amount for supportive services(s) which apply	Amount
1. Outreach	0.00
2. Case management/client advocacy/access to benefits/services	0.00
3. Life management (outside of case management)	0.00
4. Nutritional services/meals	0.00
5. Adult day care and personal assistance	0.00
6. Child care and other children services	0.00
7. Education	0.00
8. Employment assistance	0.00
9. Alcohol and drug abuse services	0.00
10. Mental health services	0.00
11. Health/medical/intensive care services	11421.29
12. Permanent housing placement	0.00
13. Other (specify)	
14. HOPWA total for this sponsor	11421.29

*For each project sponsor or for the grant in total, report on the amounts expended by type of activity. In cases where multiple activities are carried out by the sponsor and records do not reflect actual expenditures by individual services, provide the total amount expended by the sponsor during the reporting period and an estimate of the amounts by type of activity or, aggregate the amount reported under the primary type of service provided by the sponsor.

**Housing Opportunities for Persons with AIDS (HOPWA)
Annual Progress Report
Program Year 7/01/02 thru 6/30/03**

Part 1 Summary.

Exhibit A – Overview of Accomplishments.

Maui AIDS Foundation (MAF) and the partner agencies accomplished all of the program's goals and objectives. The agencies involved in this project (Maui AIDS Foundation, Big Island AIDS Project, West Hawaii AIDS Foundation and Malama Pono) successfully provided persons with HIV/AIDS living on the Neighbor Islands long and short-term rental assistance with supportive services to reduce incidence and risk of homelessness. Housing counseling information and referral services were provided to eligible persons to locate and maintain housing. Additionally, supportive services are provided via Maui AIDS Foundation and the partner agencies Case Management Teams. This comprehensive approach helps ensure stability in order to keep people appropriately housed and maintain quality of life. Case Managers and the Housing Program Coordinator continue to keep abreast of all available housing resources in their respective communities.

**Exhibit B – Program Improvements.
Barriers**

The FMR's for the Hawaiian Islands are not in line with the reality of increasing rents and need to be reevaluated for consistency and accuracy to better reflect the market rent in the Neighbor Islands. The following difficulties were identified:

- The Island of Maui became the fastest growing island population-wise of all the Hawaiian Islands, thereby impacting the availability of affordable housing with rents increasing significantly.
- On the Westside of Hawai'i (Big Island), predominately the Kona-Kailua area, rents increased quite significantly with resulting fewer affordable housing units. On the Eastside of the Island of Hawai'i, housing quality and standards are found to be lacking with many properties on water catchments systems, lack of electricity to some rural areas, etc.
- The same phenomenon, but to a lesser degree, was also encountered on the Island of Kaua'i, especially since the island has continued to recover and build back up from the devastation of hurricane Iniki (September '92).

Recommendations

The FMR's for the Hawaiian Islands need to be reevaluated to better reflect the market rents experienced in this region.

Preservation of HOPWA funding should be incorporated in overall HUD regulations in order to assure and maintain adequate housing for individuals living with HIV and AIDS and their families. In other words, once an individual living with HIV/AIDS is admitted on this program, there needs to be assurance of maintenance of support.

Name of HOPWA Grantee: Maui Aids Foundation

Report covers the period: 7 / 01 / 02 to 6 / 30 / 03

Performance Chart 1 -- Actual Performance. Types of Housing Units Dedicated to Persons with HIV/AIDS which were Supported during the Operating Year

Type of Unit:	Number of units with HOPWA funds	Amount of HOPWA funds	Number of units with Grantee and other funds	Amount of Grantee and other funds	Deduction for units reported in more than one column	TOTAL by type of unit
1. Rental Assistance	27	\$123,964	81	\$254,481	0	108
2. Short-term/emergency housing payments	2	\$ 11,421	46	\$ 47,761	0	48
3-a. Units in facilities supported with operating costs	n/a	n/a	n/a	n/a	n/a	n/a
3-b. Units in facilities that were developed with capital costs and opened and served clients	n/a	n/a	n/a	n/a	n/a	n/a
3-c. Units in facilities being developed with capital costs but not yet opened	n/a	n/a	n/a	n/a	n/a	n/a
Subtotal	29	\$135,385	127	\$302,242	0	156
Deduction for units reported in more than one category	0	0	0	0	0	0
TOTAL	29	\$135,385	127	\$302,242	0	156

Please enter the numbers corresponding to performance over the period of time indicated as the operating period for this activity, generally a one year period based on the grantee Consolidated Plan cycle (e.g. June 1 to May 31).

Performance is measured by the number of units of housing that were supported with HOPWA or other Federal, State, local and private funds for the purposes of providing housing assistance or residential support to persons living with HIV/AIDS and their families. Note that this chart does not directly measure supportive service costs. Note that the number of units of housing from HOPWA funds must be the same as reported in the annual year-end IDIS (or APR) data for the three general types of housing: 1. Rental assistance payments; 2. Short-term rent mortgage and utility payments; and 3. Units in facilities such as community residences, SRO dwellings or other facilities, where operating costs or development costs are incurred.

[Please include this page with the CAPER]

Name of HOPWA Grantee: HCDCH

Report covers the period: 07/01/02 to 06/30/03

Performance Chart 2 -- Comparison to Planned Actions, as approved in the Action Plan/Consolidated Plan for this Operating Year (Estimated Numbers of Units)

Type of Unit:	Estimated Number of Units by type in the approved Consolidated Plan/Action Plan for this operating year	Comment, on comparison with actual accomplishments (or attach)
1. Rental Assistance	16	27 units, due to exits
2. Short-term or emergency housing payments	0	2 clients received assistance
3-a. Units in facilities supported with operating costs	0	0
3-b. Units in facilities that were developed with capital costs and opened and served clients	0	0
3-c. Units in facilities being developed with capital costs but not yet opened	0	0
Subtotal	16	29
Deduction for units reported in more than one category	0	0
TOTAL	16	29

Performance Chart 2 repeats information from the plan that was approved for HOPWA-related activities under the grantee's Consolidated Plan/Action Plan. This information should report the estimated number of units that were planned for this operating year with HOPWA, grantee and other funds.

Under the **Comment on comparison with actual accomplishments** column, comments may be provided or sited regarding differences between planned activities (based on estimates from the prior year) and the actual accomplishments over this operating year. In addition to narratives in the CAPER, comments may be provided or attached regarding the comparison of planned activities and actual performance.

[Please include this page with the CAPER]

APPENDIX E
ESG Financial Status Report
Grantee ESG Expenditures

FINANCIAL STATUS REPORT

(Follow instructions on the back)

RECIPIENT ORGANIZATION (Name and complete address, including ZIP code)
 HOMELESS PROGRAMS BRANCH
 Housing & Community Development Corp. of Hawaii
 677 Queen St., Suite 300
 Honolulu, HI 96813

1. FEDERAL AGENCY AND ORGANIZATIONAL ELEMENT TO WHICH REPORT IS SUBMITTED
 U.S. Department of Housing and Urban Development

2. FEDERAL GRANT OR OTHER IDENTIFYING NUMBER
 S-01-DC-15-0001

3. EMPLOYER IDENTIFICATION NUMBER
 99-0334987

4. RECIPIENT ACCOUNT NUMBER OR IDENTIFYING NUMBER
 S-02-DC-15-0001


5. PERIOD COVERED BY THIS REPORT
 FROM (Month, day, year) 7/1/02 TO (Month, day, year) 6/30/03

6. BASIS
☐ YES ☐ NO

7. BASIS
☐ CASI ☐ AC

STATUS OF FUNDS				PERIOD COVERED BY THIS REPORT		TO (Month, day, year)	
PROGRAMS/FUNCTIONS/ACTIVITIES	(a) Rehabilitation	(b) Services	(c) Operations	(d) Homeless Prevention	(e) Administration	(f)	TOTAL (f)
Let outlays previously reported	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$	\$ -0-
Total outlays this report period	-0-	7,577.66	146,856.35	-0-	3,776.03		158,210.04
Less: Program income credits	-0-	-0-	-0-	-0-	-0-		-0-
Net outlays this report period (line b minus line c)	-0-	7,577.66	146,856.35	-0-	3,776.03		158,210.04
Less: Outlays to date (line a plus line d)	-0-	7,577.66	146,856.35	-0-	3,776.03		158,210.04
Less: Non-Federal share of outlays	-0-	-0-	-0-	-0-	-0-		-0-
Total Federal share of outlays (line e minus line f)	-0-	7,577.66	146,856.35	-0-	3,776.03		158,210.04
Unliquidated obligations	-0-	-0-	-0-	-0-	-0-		-0-
Less: Non-Federal share of unliquidated obligations shown on line h	-0-	-0-	-0-	-0-	-0-		-0-
Federal share of unliquidated obligations	-0-	-0-	-0-	-0-	-0-		-0-
Unliquidated obligations	-0-	7,577.66	146,856.35	-0-	3,776.03		158,210.04
Cumulative amount of Federal funds obligated	-0-	-0-	-0-	-0-	-0-		-0-
Obligated balance of Federal funds	-0-	-0-	-0-	-0-	-0-		-0-

13. CERTIFICATION
 I certify to the best of my knowledge and belief that this report is correct and complete and that all outlays and unliquidated obligations are for the purposes set forth in the award documents.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL


DATE REPORT SUBMITTED
 9/25/03

TYPED OR PRINTED NAME AND TITLE
 Robert Hall
 Acting Executive Director

TELEPHONE (Area number and extension)
 (808) 332-5977

U.S. Attach any attachments required by Federal sponsoring agency in compliance with 48 CFR 101-11.6.

APPENDIX F

HUD Annual Community Assessment

Program Year: July 1, 2001-June 30, 2002



450 11 11 2003
CORPORATION

U.S. Department of Housing and Urban Development

Honolulu Field Office
500 Ala Moana Boulevard, Suite 3A
Honolulu, Hawaii 96813
<http://www.hud.gov>

2003 JUL 14 A 9:44

11 11 2003

Mr. Robert J. Hall
Acting Executive Director
Housing and Community Development
Corporation of Hawaii
P. O. Box 17907
Honolulu, HI 96817

Dear Mr. Hall:

SUBJECT: Annual Community Assessment (ACA): Final Report
Program Year 2001

Thank you for your letter of April 28, 2003, concerning our Annual Community Assessment of the State's Community Planning and Development Program performance. We have reviewed your comments and consider the ACA final, which includes the ACA Report, your April 28, 2003, comments and this letter. Together, all three documents become the Final ACA. Please make the Final ACA available to the public following your regular way of handling program reports by providing a notice in the newspaper and identify where it is available for review.

If you have questions, please call Ms. Lee Jennings, Community Planning and Development Representative, at (808) 522-8180, extension 265.

Sincerely,

Mark A. Chandler, Director
Office of Community Planning
and Development



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:
03:PEO/75

April 28, 2003

Mr. Mark A. Chandler
Director
Office of Community Planning
and Development
U.S. Department of Housing
and Urban Development
500 Ala Moana Boulevard, Suite #3A
Honolulu, Hawaii 96813

Dear Mr. Chandler:

Re: Annual Community Assessment Report Program Year 2001

Thank you for your favorable Annual Community Assessment Report on the State of Hawaii's performance in Program Year 2001 for Community Planning and Development (CPD) Programs. We appreciate your acknowledgement of the Housing and Community Development Corporation of Hawaii (HCDCH) staff assigned the responsibility to successfully implement the Consolidated Plan, HOME Investment Partnerships (HOME) Program and Homeless Programs and share the credit with you and Ms. Lee Jennings. Specific comments on the assessment report follow.

Community Empowerment

In addition to making the Consolidated Annual Performance and Evaluation Report (CAPER) available in regional public libraries statewide and at the county housing offices, we also placed the CAPER on our website at www.hcdch.hawaii.gov and mailed copies at no charge.

Management of Emergency Shelter Grant Funds

HCDCH has implemented new internal controls that should ensure the accuracy of ESG financial reports. A manual ledger will be kept on spreadsheets to reconcile ESG funds between IDIS and its financial reports. In addition, a signed payment request form is required before funds can be drawn down.

CAPER Submission

This was the first year in which the State's CAPER includes detailed actions undertaken by each county. Since the State and counties were on the same timetable for completion of the CAPER, we found it difficult to include all of the county activities. We would like to continue to work with you on improving the CAPER process.

Fair Housing and Equal Opportunity

- We acknowledge that the State's CAPER did not include actions taken in the County of Hawaii to identify and eliminate impediments to fair housing. The information was not available to us within our time constraints. We will work with HUD and the counties to ensure that such information is included in the next CAPER.
- Future CAPERs will report on assistance given to persons with disabilities.
- The HCDCH and the counties are currently working on an update to the State of Hawaii Analysis of Impediments. Completion of the Analysis of Impediments is expected in June 2003.

Thank you for the opportunity to provide comments on the Annual Community Assessment Report. We remain committed to working closely with you and your staff to ensure that CPD programs are effectively administered and meet the needs of the community.

If you have any questions, please call me at 587-0680.

Sincerely,



Robert J. Hall
Acting Executive Director

c: Honorable Linda Lingle, Governor



U.S. Department of Housing and Urban Development

Hawaii State Office
500 Ala Moana Boulevard, Suite 3A
Honolulu, Hawaii 96813
<http://www.hud.gov>

2003 APR -9 A 9:45

April 8, 2003

Honorable Linda Lingle
Governor
State of Hawaii
415 S. Beretania Street, 5th Floor
Honolulu, HI 96813

Dear Governor Lingle:

SUBJECT: Annual Community Assessment Report Program Year 2001

Enclosed is our Annual Community Assessment Report on the State of Hawaii's performance in Program Year 2001 for its Community Planning and Development (CPD) Programs. Overall, the report reflects the State is implementing its CPD Program effectively and the programs are benefiting low- and moderate-income families.

The State's success in implementing its CPD programs is in large part directly related to the staff assigned the responsibility for implementing the Consolidated Plan, HOME Investment Partnerships (HOME) Program and Homeless Programs. They are a pleasure to work with and a credit to the State's community development efforts.

In closing, if the State wishes to comment on the report please provide its comments within 30 days of the date of this letter. If the State does not desire to comment on the report or fails to comment within the time frame identified above, please consider the report final and make it available to the public using your standard notification process. Should you have any questions regarding our comments, please call me at 522-8180, extension 264, or Ms. Lee Jennings, Community Planning and Development Representative, at the same number, extension 265.

Sincerely,

Mark A. Chandler, Director
Office of Community Planning
and Development

Enclosure

cc:
Mr. Robert Hall
Acting Executive Director
Housing and Community Development
Corporation of Hawaii
P.O. Box 17907
Honolulu, HI 96817

ANNUAL COMMUNITY ASSESSMENT REPORT

State of Hawaii

2001 Program Year: July 1, 2001 to June 30, 2002

HUD Point of Contact:

Ms. Lee Jennings
Community Planning and
Development Representative
HUD Hawaii State Office
500 Ala Moana Boulevard, Suite #3A
Honolulu, HI 96813
(808) 522-8180 x263

State Point of Contact:

Mr. Robert Hall
Acting Executive Director
Housing and Community
Development Corporation
of Hawaii
P.O. Box 17907
Honolulu, HI 96817
(808) 587-0680

Introduction

The regulations implementing the Housing and Community Development Act of 1974, as amended, and the National Affordable Housing Act of 1990, require federal grant recipients receiving federal assistance to submit an annual performance report disclosing the status of grant activities. The Department of Housing and Urban Development (HUD) is required at 24 CFR 91.525 to determine whether the grant recipient is in compliance with the statutes and has the continuing capacity to implement and administer the programs for which assistance is received. In accordance with 24 CFR 91.525, our comments below incorporate our assessment of the State of Hawaii's (State) Program Year 2001 performance.

In assessing the State's performance, we relied primarily upon the State's December 12, 2001, Consolidated Annual Performance and Evaluation Report (CAPER). During this period, the State generally met the intent of the Community Planning and Development (CPD) programs. Based on the State's accomplishments through the HOME Investment Partnerships Program (HOME), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) programs, the State has demonstrated its ability to carryout various housing and community development programs.

Significant Performance Conclusions

The State has established an effective system of allocating the State's HOME Investment Partnerships Program (HOME) funds to each of the neighbor island Counties. The State's process allows each County to develop projects and activities that meet both State and County goals and needs. As part of this process the State requires each County to enter into a State Recipient agreement and reviews and approves each project proposed by the Counties. To ensure program compliance the State closely monitors the HOME

program by conducting periodic on-site monitoring and on-site property inspections. The State's successful implementation of this process has ensured Hawaii's low-income citizens are benefited and HOME program objectives are achieved.

The State typically provides a summary of its Community Planning and Development (CPD) project efforts, which includes the HOME, Homeless Programs and Housing for Persons with AIDS Programs in its Consolidated Annual Performance and Evaluation Reports (CAPER). Overall the CAPER is useful and informative.

We are pleased to note that this year's CAPER included information regarding the inspections as well as additional information on the State's monitoring activities, therefore complying with the HOME program regulations. We appreciate the monitoring efforts undertaken by the State and encourage the State to continue reporting the results in the annual performance report.

CPD Programs

HOME

The State received \$3,000,000 in HOME funds and allocated these funds to the Counties as stated in the Consolidated Plan/Annual Action Plan. HOME funds are required to be committed within 24 months and expended within 60 months of the grant award. Failure to commit and expend funds within the required time period will result in the deobligation of the funds. The State is currently meeting its HOME commitment and expenditure requirements as calculated by HUD. The State complied with the required HUD regulations at 24 CFR 92.504(d)(1) by conducting on-site inspections of its HOME projects. The CAPER for this year included information regarding the inspections with additional information on monitoring. The monitoring review verified that all grantees are in compliance and meeting the requirements of affirmative marketing procedures. And the Counties are expending HOME funds toward projects that will assist low-and moderate-income persons.

Emergency Shelter Grant

The State received \$174,000 in Program Year 2001 for the Emergency Shelter Grant program. The funds were allocated to activities located in the Counties of Hawaii, Kauai, and Maui as described in the Annual Action Plan. We encourage the State to continue its support of homeless providers.

We note that the State contracted with 11 agencies under the Stipend Program to operate 27 emergency and transitional homeless shelters as part of the State ESG matching funds. Overall the State is successfully matching federal homeless resources with state resources. Through the State Shelter Stipend program, Homeless Outreach program, and Emergency Loan and Grant program the State is successful in leveraging

the State's limited ESG funds. We congratulate the State on its successful effort to leverage federal resources with state resources.

HOPWA

The State received \$152,000 in Program Year 2001 for the HOPWA program. Through the Maui AIDS Foundation (MAF), the goal of establishing a Statewide HOPWA Coordinating Council was met and funds were coordinated between the Big Island AIDS Project, the West Hawaii AIDS Foundation and MAF to successfully provide long and short-term rental assistance for persons with HIV/AIDS. HUD recognizes that due to the shortage of HIV physicians on the other islands, clients must temporarily relocate to Oahu for medical treatment. As a result, clients lose their rental assistance when moving to Oahu, since the grant is administered by the State of Hawaii for the neighbor Islands. We note the State is working with the Counties to determine a feasible alternative to provide rental assistance for clients who need to relocate to Oahu for temporary medical care. HUD is available to provide assistance in this area as needed. We encourage the State to look at opportunities to work with HUD and the City and County of Honolulu to address the HOPWA client issue.

Continuum of Care

The State continues to develop and strengthen its Continuum of Care (CoC) program. As the lead agency for Hawaii's homeless programs, the Housing and Community Development Corporation of Hawaii (HCDCH) continues to do a good job coordinating the program. HCDCH is an active partner in the CoC planning groups for the rural counties and coordinates services to provide shelter, job training, case management and services for Special Needs. We encourage the State to continue to coordinate the priority needs and objectives of the Consolidated Plan to the CoC program.

Community Empowerment

The State provided opportunities for citizen participation during the development of the CAPER. The CAPER was made available in libraries Statewide and at the County Housing Offices on Hawaii, Kauai and Maui. Despite the opportunities available for public participation, no comment was received.

Management of Funds

During this period, there were a number of problems with the State's preparation of ESG Form 269 Financial reports. We're concerned that the errors in the report may have an impact on ESG Financial management and accuracy of IDIS reports. We recommend that the State develop a method to reconcile ESG funds between IDIS and its Financial reports.

Areas for Improvement and Recommendations

The State should implement internal controls that can ensure the accuracy of ESG financial reports. We also encourage the State to continue its efforts to provide detailed information to its citizens of the success of its CPD programs.

CAPER Submission

The CAPER submission was thorough and informative, and consistent with the HUD reporting requirements. We commend the State for its efforts to submit a complete CAPER.

Fair Housing & Equal Opportunity

The CAPER was reviewed by Mr. Jelani Madaraka, Lead Equal Opportunity Specialist, HUD Hawaii State Office for compliance with Fair Housing and Equal Opportunity (FHEO) requirements. He provided the following comments:

- Overall, the State's narrative statement summarizing its actions to identify and eliminate impediments to fair housing choice was acceptable. FHEO's review, however, noted that the State's submission failed to identify any actions taken in the County of Hawaii. For future submissions, the State is requested to provide HUD with more detailed information regarding how the actions they have taken are distinctively linked to eliminating specific impediments identified in the State's Analysis of Impediments.
- The State is encouraged to report on assistance given to persons with disabilities.
- The State provided satisfactory information concerning its affirmative marketing actions and outreach to minority-owned and women-owned businesses. Similarly, the data the State provided regarding the minority and non-minority characteristics of the Consolidated Plan recipients was acceptable.
- The Fair Housing impediment in the State of Hawaii Analysis of Impediments is past due. The last Analysis of Impediments was completed in 1996.

If you have any questions regarding the FHEO comments, please contact Mr. Madaraka at (808) 522-8182, extension 269.

Conclusion

Overall, the State is meeting its community needs by planning and executing a Consolidated Plan and CoC program covering the Counties of Hawaii, Kauai and Maui. The State coordinates with the Counties to plan, develop, and implement the HOME, ESG, and HOPWA programs. Finally, we are pleased to recognize the commitment of the State HOME and Homeless Program staff. They are an asset to the State and HUD's CPD programs.